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## **Community Budgets**

### **Purpose of report**

For discussion and direction.

### **Summary**

This report updates the Board on progress with community budgets since the last meeting. The pace and political impetus has now accelerated following the interventions of the Chairman of the Board, council leaders from the 16 places and the LGA. Council leaders have now had two positive meetings with the Secretary of State for Communities and Local Government and other Ministers. Baroness Hanham is providing day-to-day political leadership.

### **Recommendations**

Members are invited to comment on the update.

### **Action**

Officers to reflect members' suggestions in future activity.

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## **Community Budgets – update**

### **Background**

1. In the Spending Review the government announced the first sixteen areas which will set up pooled budgets across different government departments (“community budgets”) for families with multiple problems, and stated its intention that this model of accountability will be adopted across the country by the end of the Spending Review period. In parallel, the Prime Minister launched a campaign to improve the lives of these families – at its heart the ambition to improve the lives of all 120,000 families with multiple needs by 2015.
2. The proposals developed by the sixteen areas will collectively improve the lives of over 10,000 families. 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.
3. At the time of the last Board update, members and leaders from the 16 places were seeking stronger political engagement with Ministers. – that has been a centrepiece of activity over the last couple of months. The pace and political impetus of community budgets has accelerated following interventions by the LGA, council leaders in the 16 places and the Chairman of the Improvement Board.
4. This engagement has defined four broad and shared objectives:
  - 4.1 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;
  - 4.2 Moving from 16 to a wider coverage of community budgets for families with complex needs – CLG are preparing a route map for discussion;
  - 4.3 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;

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- 4.4 Linking community budgets to wider public sector reform including new ways of funding public services such as payment by results.
5. As the framework is extended, there is a key role for the group in sharing the learning.
  6. CLG, jointly with the LG Group, have recently conducted a stock take of progress on community budgets.
  7. The emerging messages are 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.
  8. Pooling money remains important but 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. But given that some of the benefits of improving the lives of families with multiple problems will not mature in the short-term, the realisation of cash savings is complex.
  9. Places have also said that:
    - 9.1 the framework has helped strengthen local partnership working, for example helping engage the probation service. But the turbulence in the public sector landscape has naturally made that more challenging and departments could have moved faster to encourage local partners to engage;
    - 9.2 the pace needs to set locally recognising that system change is not a quick fix and there is some frustration with “process”;
    - 9.3 further “asks” will emerge organically as service transformation takes hold;
    - 9.4 some aspects of the process have been enormously helpful, for example, the close working with senior Whitehall champions;
    - 9.5 support from the LG Group, for example on the fit with other public service reform initiatives, will be crucial in preparing for a wider coverage.
  - 10 Government recognises that the wider coverage of community budgets will hinge on the strength of the local benefits and improved outcomes they enable.

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- 11 Against that background the “barrier busting” work being led by Baroness Hanham CBE, Parliamentary Under Secretary of State at DCLG, with council leaders will be very important.
- 12 Baroness Hanham’s group has met and identified four areas where work is needed: the development of community budgets into other policy/spend areas and the link to payment by results funding; data-sharing; governance taking account of police and health reforms; and assessment procedures. In the first instance, places have been asked to prepare papers on these issues.
- 13 The Board is invited to comment on the update.

**Financial Implications**

- 14 None although a community budgets’ programme plan reflecting our support offer to councils for 2011-12 will be developed and brought to the Board’s next meeting following the Executive’s discussions on the LG Group work programme.