

Community Budgets

Purpose of report

To ask the Leadership Board to consider and discuss the significant further developments that have taken place regarding community budgets aimed at families with complex needs and the development of “whole-place” community budgets.

Recommendation

It is suggested that the Group approach to the next stages of the community budgets project should be as follows:

- we continue to press our model of sector-led programme management for the wider roll-out of community budgets for troubled families, and for a role for the new CLG unit that is consistent with that;
- we offer what help and support is most useful to councils involved in developing “whole-place” community budgets, but keep our main focus on pressing for what they develop to be available, within a relatively short timescale, to others in the sector who want it.

Action

Officers to action in accordance with the Leadership Board’s direction.

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Community Budgets

Background

1. Sixteen areas have been experimenting for the last year with community budgets aimed at families with complex needs. Ministers announced at the group's July conference in Birmingham that they had decided, in response to lobbying by LG Group (LGG) and the wider sector, to step the programme up in two ways:
 - 1.1 by rolling out the model of community budgets for families with complex needs to the whole of local government by 2013-14;
 - 1.2 by asking two areas to work up so-called "whole-place" community budgets, and two places to do the same with neighbourhood-based community budgets.
2. Since that announcement, we have been working with member councils and the government and there have been some significant further developments. This note sets out the current state of play.

Families with complex needs

3. The proposed roll-out of community budgets for families with complex needs has been put in a new light by August's civil disorder. As it became clear that Ministers would read the summer's events within a wider narrative of social and family breakdown, it was inevitable that attention would centre on community budgets and the Prime Minister's pre-existing pledge to tackle the country's 120,000 most troubled families which had from the start been linked with them.
4. The question was whether the Government would continue on a course that saw councils as key to the solution of the needs of these families, or start again. This has played out against a background in which councils and central government had from their different perspectives challenged whether the existing community budgets initiative was delivering what had been hoped for. For the government's part, it commissioned, in the early summer, a review of progress on the Prime Minister's ambition led by Louise Casey, the Victims' Commissioner. On our part, Leaders from the sixteen areas identified a need for councils themselves to take decisive ownership of the programme management of community budgets, giving it clear political leadership and a point of contact with Ministers through the Group; in return, we would look to the Government to take action to get its own agencies more decisively on board, particularly on the issue of budget pooling. The Chairman expressed this deal as an offer to the government through his

letter of 1 September. We have since done more work on the detail of this offer should it be called into play; we believe it would involve standing arrangements within LGG to support it.

5. Ministers have since considered both Louise Casey's report and our offer. We understand that they were presented with two options – a “reboot” of work with troubled families, or putting “rocket boosters” on the existing community budgets, including accepting the Group's offer for the sector to take the lead itself. We understand that Ministers chose the latter option; they also, though, decided to establish a new Unit within CLG, reporting to the Secretary of State, to take forward the Government's role in this work.
6. At the point of drafting this note, we do not know who has been appointed to run the new Unit, nor how it will operate. Clearly, there are risks that our perception of a sector-owned arrangement for taking forward community budgets for troubled families and the new Unit's perception of its role may not mesh neatly. We are taking action with CLG to manage that risk. We also believe there needs to be a simplification of the current crowded and confusing external support offer to community budget places.
7. In the meantime, councils are enthusiastic about being part of a wider roll-out of community budgets for troubled families. Over 70 councils have chosen to be part of the wider roll-out next year (although a number of significant councils are absent from this group). We have, in partnership with the government, organised events and briefings for those councils and are seeking to maintain momentum while recognising that the national-level arrangements remain to be finalised.

“Whole-place” community budgets

8. “Whole place” community budgets represent an ambition that goes beyond the existing sixteen experiments. They would allow places to work up a plan for - potentially - joining together all spending in a place and Ministers are creating an expectation that what the places devise will be implemented. The government wants to accompany this invitation with a parallel invitation for a number of places to develop a similar model at a neighbourhood geography.
9. The Government will issue a prospectus inviting areas to volunteer to develop a whole place community budget very soon. There are three major issues which we will be watching in the prospectus:
 - 9.1 how many councils are going to be included in the invitation;
 - 9.2 the timetable for developing and then implementing their proposals;
 - 9.3 how involved other councils will be with those directly developing the “whole-place” community budgets, and how easy and quick it will be for them to learn from and replicate what is achieved in the first areas.

10. Our aim has been to ensure that the invitation is not issued to too small a number of places, that what they develop is in fact implemented, and that this is done to a timetable that allows other councils to learn from and replicate the model in their places should they wish to.
11. A number of areas (17) have expressed an interest in having a community budget on other themes, in particular environmental issues and independent living. The LGA is bringing places and departments together on 11 October to discuss these ideas, what places would like to achieve and how they could be supported.

Risks

12. It has always been a feature of the Total Place/place-based budgets/community budgets story that councils' ambition – which is large - runs ahead of what is being delivered; such progress as we make is therefore always liable to be seen not enough. It is important, though, that we do make progress. The test for both the main community budgets strands will be whether the latest developments leave councils feeling that central control and processes are taking over. The forthcoming “whole place” prospectus – which we anticipate may feature a bidding process – will be a case in point.

Recommendation and next steps

13. We suggest our approach to the next stages of the community budgets project should be as follows:
 - 13.1 we continue to press our model of sector-led programme management for the wider roll-out of community budgets for troubled families, and for a role for the new CLG unit that is consistent with that;
 - 13.2 we offer what help and support is most useful to councils involved in developing “whole-place” community budgets, but keep our main focus on pressing for what they develop to be available, within a relatively short timescale, to others in the sector who want it.

Financial implications

14. This work can be accommodated within the Localism Programme's budget provision.