

Neighbourhood Community Budgets

Purpose of report

For discussion and decision.

Summary

This paper provides a status report on the Neighbourhood Community Budget programme; explains how it complements the whole-place community budget approach; and outlines possible next steps.

Recommendation

The Board is recommended to:

- Note the progress made by the neighbourhood community budget pilots
- Agree that:
 - The LGA should continue to work closely with DCLG and other partners on the neighbourhood community budgets programme;
 - The LGA should jointly badge with the Department for Communities and Local Government (DCLG) a guide to neighbourhood community budgets to be produced by DCLG;
 - A neighbourhood community budget website to be developed by DCLG should be linked to the whole place community budget web site (www.communitybudgets.org.uk) developed by the LGA.

Action

Officers to implement the recommendations as directed.

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Neighbourhood Community Budgets

Background

1. In December 2011 in addition to the four whole place pilots, the Government announced twelve neighbourhood pilots. Of the twelve pilots, nine are in cities and three in country towns; five are led by principal councils (Newcastle, Birmingham, The Royal Borough of Kingston upon Thames, Tunbridge Wells and Hammersmith and Fulham), two by town councils (Ilfracombe and Haverhill), three by community organisations (Balsall Heath in Birmingham, Queens Park in Westminster and Little Horton in Bradford) and two by housing associations (Castle Vale in Birmingham and Poplar in Tower Hamlets). The pilots have brought together local organisations, including local councils, GPs, Jobcentre Plus, local employers, the voluntary sector and the police. Final operational plans were submitted at the end of March, bringing the NCB pilot programme to a close. They are ready for delivery now and their objective is to:
 - 1.1 Define a package of local services to be managed in the neighbourhood, developed through a co-commissioning process where the local authority and other public services, the local community and other local partners decide how to get the best possible outcomes from the resources available.
 - 1.2 Specify the cash budget and other resources that will be used to deliver the plan – this might include voluntary action, community-held assets and tools, and forms of social finance.
 - 1.3 Specify the governance mechanism for managing the plan and delivering the services, setting out how this will be accountable to the residents in the neighbourhood and to public bodies investing in the neighbourhood budget.
2. NCBs have therefore been an opportunity to test practically and share learning on:
 - 2.1 Community co-design
 - 2.2 The scales at which decentralisation of services works best
 - 2.3 Community capacity and appetite
 - 2.4 Bringing in community resources
 - 2.5 Understanding the cost effectiveness of the NCB approach

How do NCBs complement the whole-place community budget approach to transforming public services?

3. A whole place community budget brings partners together across a wide area to deliver services with shared outcomes, shared resources, and under shared business and investment plans. NCBs operate to the same principles, but at the micro, very local, level. Through intensive community engagement they aim to focus on the things that are most important to the people who live and work in the neighbourhoods. These might be things not being addressed elsewhere, or bespoke

services that partners can deliver more effectively at the neighbourhood level, leading to better financial and social returns on investment.

4. The two approaches should be complementary; the two parts of a whole system approach to transforming the delivery of local public services. An outline of how the neighbourhood pilots approached the development of their plans and the services they aim to address is at the appendix. In examining the appendix it should be borne in mind that although the two pilot programmes broadly applied the same methodology to the design and development of their business plans, a whole system approach was not in the main possible with only the Queens Park and White City neighbourhood pilots taking place within the boundaries of a whole place area (Tri-borough).

Benefits

5. While there has been no overall examination of the potential benefits of NCBs comparable to the Ernst and Young study of the whole-place pilots, examination of the pilots' operational plans indicates that there are some real benefits to be found from the approach for both people and the providers of public services including councils. Examples include:
 - 5.1 £12 million in benefits over five years for every £1 million invested in the Poplar Harca NCB initiative to link diabetes care with other community services to produce health outcomes beyond that which routine health provision could achieve alone. It will involve resources and create benefits for the NHS, housing support services, DWP, primary care services and Tower Hamlets CCG.
 - 5.2 A potential 32% reduction in the unit cost of each intervention by increasing uptake of the local Children's Centre Services via local networks in Queens Park.
 - 5.3 In Castle Vale, an investment of £55,000 over five years into a NCB approach to stopping smoking could lead to 150 'permanent quitters' (people who pack up smoking for good), producing a total accumulated benefit of £2,918,850.
 - 5.4 Taking an NCB approach to addressing over/under occupancy in White City provides an overall positive cost benefit ratio of 1:35, which provides a positive basis on which to base an investment decision.
 - 5.5 A Kingston University evaluation of the Norbiton pilot showed that the NCB approach significantly improved communication and relationships between councillors, the community and officers.

Ensuring neighbourhood and whole-place are genuinely complementary

6. Ensuring that the NCB and whole-place initiatives are in practice complementary requires will require some management, however, particularly where principal authorities are not the lead partner in the neighbourhood work. Two illustrations of the kind of risks that will need to be managed are:

- 6.1 levels. Partners such as FE colleges or The potential for neighbourhood initiatives to be diverted into campaigning or lobbying.
 - 6.2 Dilution of the whole-place approach by neighbourhood duplication of issues better handled at a wider geography. Economic interventions, in particular, may generally be best handled at relatively large – city or county – spatial Chambers of Commerce may also have limited patience and capacity for duplicating their engagement on the same issue with a number of parish or community-level NCBs simultaneously.
7. Continuing LGA participation in the NCB work will aim to ensure that risks of this kind are managed.

Next steps

8. DCLG is currently evaluating the work of the pilots, with a final report, pulling together evidence from interim reports and the operational plans, expected in the early summer. In the meantime Ministers are considering the way ahead with a view to making an announcement soon after the local government elections. Indications are that they believe that there is merit in the NCB approach and that they are keen to move to a much wider roll out, possibly to as many as 100 neighbourhoods over the next year.
9. The pilots have shown that there is a real appetite for the approach in the neighbourhoods involved, with people showing a clear enthusiasm for being involved in the design and delivery of services. The pilots have been led by a variety of different organisations and it would appear that there is no one particular leadership model best suited to the approach. Councils though are in a strong position to lead these initiatives. Whether in the lead or not, positive council engagement and commitment is critical for success. In addition, as outlined in paragraph 3.5 of the appendix there are benefits for ward councillors from the approach.
10. In view of this and the apparent enthusiasm of the Government for pursuing the approach further, the Leadership Board is recommended to agree that the LGA should continue to work closely with DCLG and other partners on the NCB programme and promote the approach to councils; particularly to ensure it complements the LGA's work on whole-place community budgets and reinforces the overall narrative in this area.
11. While it appears that DCLG is not considering something equivalent to the Transforming Public Services Network to support the further development of NCBs, officials are considering a number of options, including mentoring from the pilots for new neighbourhoods and possibly some kind of contractor provided support.
12. In anticipation of a positive Ministerial announcement on the future of the NCB programme, DCLG officials are keen to publish a guide to NCBs, equivalent to the *Guide to whole place community budgets* jointly published by the Government and the LGA in March. They are also planning to develop on line guidance to

complement the guide. DCLG officials have asked for LGA agreement to the NCB guide being branded as a joint LGA/Government publication in the same way as the whole place guide. Equally it would make sense, and emphasise the whole systems approach to public service transformation, for the NCB on line guidance to sit alongside the whole place web resources on the LGA funded www.communitybudgets.org.uk platform. The Leadership Board is requested to agree to these proposals.

Appendix A - What did the pilots do?

1 Community and partner engagement.

1.1 A key dimension of a NCB is local residents playing a fuller and more equal role in the design and commissioning of services. The pilots therefore expended significant effort on engaging with the community with the following aims:

- Having a community view on themes to prioritise
- Building a list of people wanting further involvement in the NCB
- Building lists of community members interested in suggesting ideas to improve service delivery as part of the NCB process
- Actively engaging less heard groups in the community
- Using a variety of methodologies reaching different groups to provide data and conclusions with higher reliability
- Providing the information needed for neighbourhoods to prioritise and catalyse community support for the NCB

1.2 Although approaches to engagement varied across the pilot areas, techniques employed ranged from focus groups to phone interviews; from on-line questionnaires to pre-planned events; and from contact through local community centres, schools, housing associations and other local groups to snapshot group interviews.

1.3 In addition to helping identify priorities for the pilots, one of the outcomes from this work has been the discovery of new volunteers and people wanting to be involved in the NCB. In Poplar for example over 350 people stated an interest in volunteering. If 200 of these people gave 30 hours of their time over the next 12 months, then at minimum wage, this would be an in kind boost to local services valued at £36,480.

1.4 A fundamental difference between the NCB approach and that of previous neighbourhood level initiatives is the bringing together of a range of service providers in a neighbourhood to break down the silos that so often exist, and deliver services with shared resources, objectives and outcomes. In places such as Ilfracombe and Haverhill these partnerships involved the business community as well as the public and voluntary sectors. In Bradford, which is not untypical, the partnership includes the Community Council, local voluntary sector groups, Job Centre Plus, Social Landlord (Incommunities), the NHS and Bradford Council.

2 Evidence and cost benefit analysis.

2.1 As with whole place community budgets, cost-benefit analysis has been an important too in the development of sound business plans. This was perhaps one of the most challenging elements of the process for most of the pilots, bearing in mind the level of project resource they were able to bring to bear and the

complexity of the neighbourhood interventions. In many cases this required significant external support.

- 2.2 Many of the pilots found it difficult to identify the total public expenditure in their neighbourhoods, and as a result of this there are some significant variations in the level of detail of the cost-benefit analysis that has been undertaken. Ilfracombe came up with the concept of a virtual bank in which they identified, with varying degrees of confidence, the level of spending in the town and assessed its effectiveness.
- 2.3 It is intended that the virtual bank will be a web based service accessible to partners and the public alike. It will provide spend mapping on a post code basis; record the level of investment that is made each year; and present financial and resource data in a cohesive way forming a holistic picture to develop measures against forecasts, outcomes and year on year change. There is also an ambition to understand the social value as well as the economic measures of outcomes from investment.

3 Governance.

- 3.1 A particular issue the pilots have wrestled with has been that of governance; how to keep the community in the driving seat, while maintaining democratic accountability. Each pilot has identified its own unique solution, though with common themes. Ilfracombe, for example, has established a not for profit social enterprise, One Ilfracombe Limited, owned by the Town Council and its public sector partners, to commission manage, deliver services and coordinate partners activities in the town. Directors of One Ilfracombe include town, county and district councillors and representatives of the police, the fire and rescue service, Jobcentre Plus, the local housing association and the local clinical commissioning group. There are also a number of independent members recruited through advertisements in the local press. The Town Council remain responsible for community engagement.
- 3.2 In Haverhill, it was decided to establish an organisation, One Haverhill, as the single consensual voice for Haverhill, influencing how organisations deliver services for the better. It does not however have decision making powers or a budget. Instead it aims to influence/lobby how partners deliver/allocate resources in the town, leaving direct accountabilities with the individual partner organisations. It is also there to oversee and monitor the successful delivery of plans to which partners have committed.
- 3.3 In Castle Vale, where health improvement is a major focus, accountability is provided through a local Health and Wellbeing Board reporting into the Castle Vale Neighbourhood partnership Board. This is a company limited by guarantee, which has a membership of 7 general member organisations (local education establishment, local health organisation, local employment and training organisation, Castle Vale Housing Association, Tenants and Residents Alliance, West Midlands Police, Birmingham City Council), 6 resident board members

elected by the community, a co-opted local councillor and up to 4 other co-opted members. They have yet to clarify finally the mechanism for accountability to local taxpayers though and are still weighing up options.

- 3.4 Queens Park, following agreement to establish the first parish council in London for some years, intends to use that as its governing body, and Shard End in Birmingham is also investigating the establishment of a parish council to fulfil this role. In Poplar governance will be through the local community ward forums set up by the London Borough of Tower Hamlets to ensure the programme is fully incorporated into Council plans.
 - 3.5 Although the governance mechanisms very largely sit outside formal council frameworks, the NCB approach offers great opportunities for ward councillors to become more closely engaged and get a better understanding of the priorities of their constituents. They are therefore potentially able to represent them better back in the town hall. In all cases there is a clear role for councillors in the governance of the NCBs and as stated in the CLG Select Committee report, 'Councillors on the frontline' - 'it will be hugely important that they remain at the centre of conversations and decisions affecting their areas'.
- 4 **Emerging service themes.** The range of issues being tackled as a result of the pilot programme include:
- 4.1 **Health and well-being.** White City is proposing to integrate health and wellbeing services in one collaborative care centre, while Ilfracombe is proposing to reduce demand on NHS services by reducing isolation, particularly of older people. In Poplar they are focusing on reducing the impact of diabetes, which has a high prevalence in the community, while in Castle Vale the emphasis is on smoking cessation and reducing obesity.
 - 4.2 **Public realm.** Balsall Heath wants to make their inner city neighbourhood a 'riot of colour' with community hanging baskets and street flower containers, with plants grown locally in the community nursery. In Norbiton the project is looking at the feasibility of transferring the former Surrey Sports Centre to the community and in a similar vein, Castle Vale is going through the process of taking over the running of a local football stadium from the Council. In White City the focus is a two tier approach to housing. On the one hand they are working with residents to reduce under occupation and overcrowding and on the other the Council is letting a borough wide housing repair contract that would give the residents of White City control over housing repairs. In Ilfracombe as part of the 'pride in our town' theme, they are aiming to take control of the harbour from the District Council.
 - 4.3 **Crime reduction and anti-social behaviour.** Balsall Heath has a focus on making the neighbourhood safer through community involvement; while in White City they aim to reduce crime by increasing the reporting of crime and establishing a neighbourhood panel to influence local policing.
 - 4.4 **The skills agenda** is a major theme with a large proportion of the pilots planning to match the skills training available to the community with the needs of local employers, often with a particular focus on youth unemployment. Haverhill has a particular focus on this with a strong support from the Chair of the local Chamber

of Commerce. In Bradford a programme is being developed to build pathways for local people into employment by creating volunteering, work placements, mentoring, apprenticeships, enterprise and other opportunities. A major ask from the pilots is for some of the benefits money saved from increasing employment to be reinvested in the community.

- 4.5 **Children and young people's services.** The Queens Park pilot is focusing on support for pre-school age children, whereas in White City they are setting up a network of parenting champions with the aim of closing the gap on early years' development. In Sherwood they have developed a family partnership to co-design services for families with effective early intervention and improved outcomes. In Haverhill the emphasis is on the provision of services for young people such as a youth one stop shop. The Bradford pilot is developing a wider programme of activities for young people, which includes a programme to develop local volunteering and build local capacity to deliver activities for young people.