Community Budgets Political
Leadership Group

Via e-mail

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20 April 2011

Dear members of the Community Budgets Political Leadership Group

COMMUNITY BUDGETS POLITICAL LEADERSHIP GROUP

Thank you for coming to the first meeting of this group chaired by Baroness Hanham on 5 April. The minutes of the meeting are attached.

We thought it was a positive and constructive meeting enabling us to identify and agree the issues that need to be tackled to enable all areas to deliver ambitious Community Budgets. As Baroness Hanham set out at the meeting, this group has been pulled together to provide political leadership to remove barriers that are getting in the way of Community Budgets. Baroness Hanham is keen, therefore, that the group should make rapid progress with a view to making recommendations before the summer.

We agreed to take forward four strands of work:

Workstrand	**Lead Areas**
1. Data sharing	Manchester
2. Innovative finance (including virtual and actual pooling, payment by results and social impact bonds)	Birmingham and West London group
3. Governance and leadership (including health reforms and Police and Crime Commissioners)	Hull, Swindon and Leicestershire
4. Simplified assessment	Essex, Bradford, Manchester and Barnet

In order to make rapid progress, we propose that areas:

- Quickly pull together a short note setting out the scope and likely timeframe for their workstrand and circulate it by the end of April to the group to ensure all the key points are being covered;
- Develop short papers for the next meeting of the group (likely to be held towards the end of May) which clearly set out the problems and potential solutions.

We suggest that the scoping notes could usefully set out:

- Scope – what is in and being considered and what is out and not within scope;
- other relevant activity the workstrand will take into account e.g. workshops on virtual pooling (run by DWP on 13 April), data sharing (14 April) and health reforms workshop (to be arranged);
- Who the lead authority is and a lead contact as well as confirmation of the other authorities involved;
- A very high-level timetable and project plan to give an indication of when this group may be able to discuss the issue.

We appreciate that this is an ambitious timetable but, if areas are able to do this, we will be able to use the next meeting of the group to consider a range of solutions for different workstrands and the evidence that underpins them.

As Baroness Hanham said at the meeting, Ministers across Whitehall are keen to work with you to co-design solutions to the four priority issues that have been agreed. It would be helpful to know if you need input from specific departments and from the Local Government Group to help you, so that we can broker this.

Our experience of busting barriers on Big Society Vanguards and Multi-Area Agreements shows that the more specific and sharper the problems and solutions are defined/specified the easier it is to have a conversation about them and negotiate a solution across Whitehall. Subject to what you say in your scoping notes about timescales, we suggest that for the meeting at the end of May there is a short paper for each workstrand that sets out:

- The specific problems that have been identified;
- Evidence of the impact of the problems;
- Potential solutions to the problem and what would needs to happen to implement them;
- An indication of the evidence and rationale for why the solutions will make a difference; and,
- What will happen (or not happen) if no solution can be found or agreed.

We hope that this is a helpful way forward but are keen to hear your views about next steps for the group. If you have any thoughts on this then please do get in touch with Ashley Pottier (ashley.pottier@communities.gsi.gov.uk). Scoping notes should also be sent to Ashley for subsequent circulation to the wider group. Please do not hesitate to get in touch if we can help in any way.

Yours sincerely
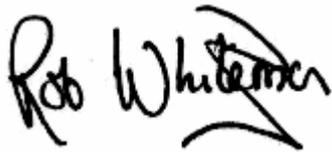
Rob Whiteman
Managing Director
LGID
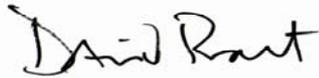
David Prout
Director General for Localism
DCLG

COMMUNITY BUDGETS POLITICAL LEADERSHIP GROUP

Minutes of the meeting on 5th April 2011

Those attending:
Baroness Hanham (Chair)
Baroness Eaton (LGG)
Rob Whiteman (LGID)
Nick Walkley (Barnet)
Jason Lowther (Birmingham)
Cllr Ian Greenwood (Bradford)
Mary Weastell (Bradford)
Cllr Sarah Candy (Essex)
Joanna Killian (Essex)
Cllr Bob Biddy (For the Manchester group)
Mike Kelly (For the Manchester group)
Baron Frankal (For the Manchester group)
Cllr Carl Minns (Hull)
John Sinnott (Leicestershire)
Cllr Roderick Bluh (Swindon)
Matt Gott (Swindon)
Cllr Stephen Greenhalgh (For the West London group)
Mike More (For the West London group)
Nick Lawrence (DfE for Tim Loughton)
David Prout
Lucy Makinson
Ashley Pottier
Justin Vetta

Apologies:
Blackburn with Darwen

Introductions

1. Baroness Hanham welcomed those present to the first meeting of this group. The Minister set out that, broadly, the group was to provide political leadership to Community Budgets, particularly in working with Government to remove the barriers that are getting in the way of developing ambitious Community Budgets. The group enables Community Budget areas to undertake a bottom-up examination of key issues and bring their thinking back to the group for discussion and agreement with relevant Government Ministers.

2. Lucy Makinson gave a short presentation about how national coverage of Community Budgets might be achieved and the outstanding barriers/issues that had been highlighted by Community Budget areas to Government. (This is attached.)

Work programme

3. Cllr Greenwood said that there is a continuum with families where the goal is to move families down it, for example, helping those in crisis with chronic problems into a stable situation and playing a full part in society and preventing those on the cusp of a crisis from escalating into one. It would be helpful to define the continuum and the barriers that prevent helping families to move down it.

4. Cllr Minns said that a single point of assessment is needed – families are not best served or effectively supported when multiple assessments are carried out by

different agencies and professionals with different procedures. How a family gets into the system and is initially assessed is a critical issue – agencies should not be precious about who conducts the assessment as long as it is done so professionally to agreed and common standards. Following a brief discussion, there was agreement that simplified assessment should be explored.

5. Cllr Bluh said that every area is different, even though there are some common issues that all areas are encountering. Partnership working is critical to tackling local problems. Equally, someone has to own the strategy and drive it forward: unless local partnership arrangements are very strong there is a risk that a strategy will not develop if the local authority does not own it. Local conversations can be driven by money before deciding what partners were going to do – this needed to be the other way round, deciding what to do then how to resource it; money becomes important when looking at how to scale up interventions.

6. A number of points were made in response to this:

    •   We know that the pooling or virtual pooling of resources works – the issue is how we bring a range of partners to the table to put significant sums into a pooled or virtually polled central pot;

    •   Partners will not put money on the table until they can see the benefits of working in a different way;

    •   Identifying and realising the cashable savings was important because it meant that partners would get a return on their investment and the activity they take forward to support families;

    •   Families have been identified that need support and funding streams that have traction on them have been mapped – the groundwork has been done but areas can still find making progress difficult. We need to explore how partners can be incentivised to participate in local discussions and sharing resources;

    •   Local relationships with a high level of trust are essential – where this exists progress can be made but without it joint working breaks down and silos grow. When local trust has been built up, many issues raised (e.g. data sharing) can be tackled successfully without involving Government departments;

    •   Strong governance arrangements are central to being able to scale up successful interventions, particularly in overcoming difficulties when key local figures change and hence relationships change;

    •   There is a lot of structural and relationship change in the pipeline with health reforms and the introduction of Police and Crime Commissioners. Both health and police are essential partners in turning around the lives of troubled families but it is unclear how the changes will impact on local relationships and governance arrangements.

7. It was agreed that some members of the group should explore issues around governance and leadership with others looking at innovative finance which will include actual and virtual pooling of resources, payment by results, social impact bonds and cost benefit analysis.

8. Baron Frankel highlighted that sharing information between partners is a real issue. Attendees agreed that there are two aspects to this: sharing basic headline information about families to identify those that may benefit from intensive support from local partners and sharing information was key to simplifying assessment procedures and subsequently developing support packages for families. It was agreed that data sharing should be a strand of work for the group to take forward, though it was important to make the connection with other activity e.g. the data sharing workshop being arranged for 14 April.

9. In concluding the discussion, the group agreed who would be involved in taking forward the four workstrands that had been identified:

Workstrand	Areas
1. Data sharing	Manchester
2. Innovative finance (including virtual and actual pooling, payment by results and social impact bonds)	Birmingham and West London group
3. Governance and leadership (including health reforms and Police and Crime Commissioners)	Hull, Swindon and Leicestershire
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Social Impact Bonds

10. Patrick White from Cabinet Office outlined that a small team had been established in January to explore what was involved in bringing a Social Impact Bond to fruition. Patrick highlighted that rethinking how public services was really important and underpinned the team's work but that there was no single approach that could work everywhere, all areas are different. Furthermore:

- It is possible to bring a payment by result approach to tackling families with multiple problems;

- It was possible to take an approach that had been successful in one area and adapt it to work in another;

- A Community Budget can support payment by results and Social Impact Bonds – pooling resources into a single pot enables a single commissioner to negotiate contracts on behalf of the area and a single commissioner had been shown to be an important factor in securing a successful Social Impact Bond;

- It is important to be clear about the level of investment and where it is coming from, as well as the outcomes to be achieved and the reward structure in the contract;

- The depth of the due diligence process depends on how much the project will rely on commercial sources of funding or social ones;

- It is important to separate out the outcomes that are to be delivered through the contract and the level of risk that is being transferred to the provider;

- Investors at this stage are largely philanthropists who want to buy a social good but this might mean that only a small number of small scale projects get

developed. Some thought is being given to scaling up and whether a central fund can be established which areas 'buy into'.

Next steps

11. The next meeting of the group should be in about six weeks.