

Community Budgets Political Leadership Group Innovative Finance Workstrand – Project Initiation Document

The Leadership Group requested Birmingham and West London Councils develop proposals to address issues around innovative finance at their meeting on 5th April. This paper sets out the initial plans for this workstrand.

Scope

The following issues are in scope for this workstrand:

- The need for innovative finance and funding
- Payment by results
- Social impact bonds
- Necessary pre-conditions including robust evidence on effectiveness, cost/benefit analysis, evaluation and benefits realisation
- Virtual and actual pooling approaches

The following issues are not in scope at this stage:

- Devolving money/services to communities
- Mapping spending on Families with Multiple Problems
- Information sharing (this is a separate workstrand led by Manchester)

Other relevant activity

Activities relevant to this workstrand identified to date include:

- DfE exemplar project on information sharing
- Graham Allen review on early intervention
- Birmingham, Manchester and HMT work on cost-benefits and evaluation developing the Green Book approach
- Birmingham's Brighter Futures randomised controlled trials of early intervention cost/benefits
- Translation of the Washington State Institute of Public Policy approach to UK conditions
- Econometric modelling of public sector outcomes (Birmingham)
- CHAMPS2 benefits realisation methodology
- DWP workshops on virtual pooling
- Cabinet Office work on social impact bonds
- Local Government Group work on funding social outcomes
- NAO work on evidence-based interventions in youth justice
- Proposals around Local Integrated Service Trusts
- Community Budgets evaluation workstream
- Examples of Social Impact Bonds (eg Peterborough prison; Social Finance with Essex, Liverpool and Manchester; MoJ work with Croydon LA)
- Examples of cost avoidance modelling (eg Westminster FIP)
- Examples of payment by results schemes

Lead authorities

The project will be led by Birmingham City Council (contact officer = Jason Lowther, Director of Strategy, Tel. 0121 464 3344, Email Jason.lowther@birmingham.gov.uk).

West London Councils' input will be led by Westminster City Council (contact officer = Dr Robyn Fairman, Ass Director of Policy Planning and Performance, Tel. 0207 641 2361, Email rfairman@westminster.gov.uk).

High-level timetable and project plan

The proposed timetable is as follows:

Draft "strawman" report for partners	14 May
Draft report to CLG/LG Group	21 May
First report to Political Leadership Group	End May/Early June

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