

TO: LOCAL AUTHORITY LEADERS

CC: LOCAL AUTHORITY CHIEF EXECUTIVES

7 July 2011

Dear Colleague,

COMMUNITY BUDGETS

At last week's LGA Conference, the Deputy Prime Minister announced plans to roll out Community Budgets. You can find this press notice at <http://www.communities.gov.uk/news/newsroom/1933560>. His announcement responds to the challenge that we all face in achieving better integration of local services and better outcomes through a more joined up approach between different public service providers. It also responds to the well established argument Councils have been making for a single budget covering all public funding in an area.

Community Budgets for families facing multiple problems are already up and running in 16 areas, some 20 per cent of the country. These areas are delivering against the Prime Minister's ambition to turn around the lives of troubled families as well as getting the most disadvantaged children and young people learning and back into school and getting parents help to overcome their problems and get work. Community Budgets are also releasing funding wasted through ineffective 'single agency' responses to these families' problems.

We now want to move forward quickly to extend this approach for families facing multiple problems to around 50 more local authorities this year and at least 60 more in 2012/13. Please tell us by 9 September if you are interested in joining this year to be up and running by 1 April 2012. We are working with the Local Government Group to develop support available to authorities who join the rollout including help to 'bust barriers', redesign local services, realise cost savings and take advantage of new sources of funding and funding mechanisms. If you would like to take up the offer, please contact Kevin Davies via kevin.davies@communities.gsi.gov.uk (0303 444 2637) or Justin Vetta via justin.vetta@communities.gsi.gov.uk (0303 444 2602). Further information is also available at: www.education.gov.uk/childrenandyoungpeople/families/multipleproblems.

We also want us to pursue Community Budgets beyond families with multiple problems. We have asked officials to work with the Local Government Group over the summer to develop firm proposals for extending coverage to other policy areas and facilitating the removal of barriers. As above, if you are interested in developing Community Budgets in other themes, please email the contacts above.

We have also announced the Terms of Reference for the Second Phase of the Local Government Resource Review which is looking at Community Budgets. This bold programme will include:

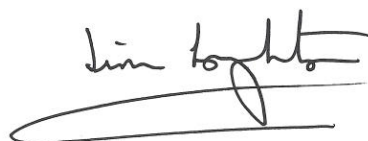
- Two areas will be selected to help co-design neighbourhood level community budgets giving residents the opportunity to say what services they want, how they should work and whether they want to run them; and
- Two areas will be selected to help co-design a Community Budget bringing all funding on local public services from the area into a single pot to test how to create the right local financial set up to deliver better services that people want.

The Department for Communities and Local Government will draft a prospectus by the end of the summer covering these new pilots. This will invite areas to come forward if they are interested in taking part. In the meantime, if you have any queries please contact Ashley Pottier via ashley.pottier@communities.gsi.gov.uk or 0303 444 3214.

The Community Budget approach responds to the ambitions of local government and we look to councils working with their partners to make them a success. Government will do all it can to help by unblocking systems and removing barriers, but there is a big challenge for local government to make Community Budgets a reality.



BARONESS HANHAM CBE



TIM LOUGHTON MP