

# **1<sup>st</sup> PHASE COMMUNITY BUDGETS FOR FAMILIES WITH MULTIPLE PROBLEMS**

## **Summary**

1. This paper sets out the current status of requests of Whitehall raised by the 16 first phase areas that are taking forward Community Budgets for Families with Multiple Problems. It builds on a meeting chaired by Secretary of State of Communities and Local Government with the leaders of 16 areas on 3 March. A background note and update on Community Budgets is at Annex C.

## **Purpose of discussion**

2. It is clear that Community Budgets can help deliver the Prime Minister's ambition on families, and test out the new model of organising public spending by area rather than by individual organisations. But there are challenges:

- a. **This will be a journey over the SR.** Working with partners, moving from a 'programmes' mindset to systematically redesigning services around outcomes – with funding constraints and simultaneously managing risk over children's safeguarding – is substantial work, not a quick fix; Annex D gives current figures on the number families supported.
- b. **Councils' future partner organisations are facing unprecedented structural change or are not yet in place** and would sometimes like Whitehall help to broker or nudge a local collaborative approach;
- c. **Community Budget approach needs to be built into the future decentralised public sector.** Local budgetary freedom and incentives to pooling and collaboration needs to be built into the design role of Police and Crime Commissioners, GP consortia and Work Programme providers;

3. It is essential to ensure that sufficient progress has been made on addressing requests from the 16 first phase areas, assisting both Government and areas to be confident in announcing that meaningful first phase community Budgets will be in place on 1 April.

## **Community Budget area requests of Whitehall**

4. A number of requests from areas have already been dealt with by departments (Annex B) but Annex A summarises the current status on requests' that are currently in progress which need to be concluded by April and those where consensus has been reached to resolve them through on-going work streams.

5. The table reflects discussions at the Community Budgets Group on 17 March. Further progress may have been made by 24 March will be presented in an update available at the meeting. Eight places responded to Baroness Hanham's request to leaders for details of any additional barriers to Community Budgets and pooling that were not included in their submissions. Six confirmed that all barriers had been included in their submissions. Additions from Westminster are reflected in the Annexes and Islington's addition related to acknowledging challenges arising from funding reductions. The key issue for the meeting is to ensure outcomes will be reached on the requests in Annex A and endorsement to the on-going work streams.

## Annex A

### Community Budgets for Families with Multiple Problems: Requests of Whitehall identified by the first phase places to be concluded

1. Places that are more advanced in their thinking on either pooling or approach to dealing with families with multiple problems have raised the most requests of Whitehall. This suggests that places like Kent and Essex which have reported that they have not yet encountered any barriers that need busting may do so as they move into implementation. New requests and barriers may therefore continue to emerge as areas develop their plans.

**Table 1: Requests received from areas that need to be resolved for April**

Area	Issue	Dept	Status
All / many areas	Schools engagement with CBs	DfE	Schools can engage in respect of pooling funding. Minister considering how to encourage schools to become more engaged.
Swindon and others	Flexibilities on assessment process (for children) / extending dispensations following Munro review	DfE	On common assessment, there was an interface with the recently published Green Paper on Special Educational Needs and the Munro review. DfE was committed to extending the Munro flexibilities and will invite Swindon and other areas asking for additional flexibilities into the pilot to explore this. However, it was unlikely that this would extend to someone other than a social worker conducting an assessment with a child at risk.
West London Group (H&F)	Addressing the major causes of delay in court care proceedings	DfE / MoJ	DfE and MoJ will work with West London boroughs to see what can be done.
West London Group (Westminster) and others	Aligning ESF funding with CBs	DWP	DWP committed to ensuring contractors participate in integrating services – need to develop contractual approach engaging with areas in addition to local authorities identifying families for ESF providers. Also exploring provision of ESF for families to London Councils in line with approach for other ESF funding.
Leicestershire	Help in persuading and obtaining commitment from police	HO	HO is looking into how to proactively encourage the police to engage with CBs. (PCCs will own their budgets but will be free to pool locally.)
Leicestershire	Enabling Drugs funding to be used for tackling Alcohol Abuse	HO/MoJ	HO is looking into Leicestershire's request to de-ringfence funding for drugs and alcohol programmes.
Leicestershire	Ensuring positive engagement from GP Commissioners.	DH	Areas to engage locally with GP commissioners.
Blackburn, Swindon and others	Flexibility on NHS Cluster arrangements / Preserving joint LA and PCT commissioning	DH	Following the discussion at the Community Budgets Group DH will be sending a note on Clusters to all 16 areas.
Many areas	Expectations for Work Programme sub-contracting	DWP	Contractors will be encouraged to engage locally and can pool funds. DWP will engage with contractors if areas are unable to make progress in developing

			collaborative approaches to services.
Leicestershire	Incorporate Family Nurse Partnership budget into CB	DH	DH has offered to work with Leicestershire.
Lewisham	Greater co-operation with NOMS/probation service on assessments for pre-lease and community orders	MoJ	MoJ confirmed that NOMS and Probation can pool budgets locally.
Lewisham	Prisoner release dates and placements	MoJ/HMP	Discussions around prisoner release dates and information sharing are on-going
Lewisham	Courts to inform landlords when people go to prison.	MoJ	Discussions around information sharing are on-going
Birmingham	Co-operation of prison governor in Community Budget work and partnership working	MoJ	MoJ exploring options. Expect response imminently.
Blackburn	Transition Fund for VCS	CO	Cabinet Office fund is closed but Champion has agreed to explore funds in other Departments.

### **Requests received from areas planned to be addressed through on-going workstreams**

2. Requests relating to data sharing, innovative financing models and reforms to health service should be tackled in a co-design way but it will be not possible to resolve these before 1 April. These will be considered by Baroness Hanham's group of Leaders.

### **Access to innovative finance models**

3. Places have expressed an interest in being involved in Payment by Results models, Social Impact Bonds and up-front investment models.

#### *Current Status:*

- Community Budgets Group has agreed that the innovative financial models were, by their nature, matters that will need to be on-going.
- DfE's Investment Fund has provided all areas with the opportunity to access 'upfront' investment for the redesign of services to deliver downstream savings.
- MoJ happy for areas to take part in the Financial Incentive Model in future years (2012/13 onwards) based on strong, evidenced proposals.

### **Data Sharing (general concern raised with Departments)**

4. Concerns have been raised with different Whitehall Departments by a number of places. However there remains a lack of clarity over what the specific barriers are and whether these relate to legislation, business practice or a lack of awareness of freedoms which have already been granted.

#### *Current Status:*

- Propose workshops with interested places to map the approaches to supporting families with multiple problems they are developing and identify the types of data the plan to share and the objectives, opportunities and barriers to doing this. This work will run beyond April.
- DH will be circulating a note on information sharing to all 16 places.

**Other requests to be resolved after April**

5. Health & Social Care Bill identifies the NHS Commissioning Board as the lead commissioning body from 2013/14. Leicestershire has asked for Local Authorities to be made the lead commissioning body for the 0-5 Programme instead.

*Current Status:*

- DH has agreed to an early discussion with Leicestershire.

## Annex B

### Requests received from areas that have been addressed

Area	Issue	Dept	Outcome
All / many areas	Encouragement to front-line organisations to engage positively on CBs	DWP, HO, MoJ, DH	Supporting letters sent to front-line organisations; Champions have brokered meetings where areas have asked for help
All / many areas	Identification of potential funding streams to help areas develop their CBs	All	Funding 'menu' circulated 22 December making clear this list is a starting point and not a definitive list
All / many areas	Support to define & identify the FMP cohort in each area & best practice solutions	DfE	DfE provided definitions based on research; background data for each area; & links to best practice guidance, case studies etc.
All / many areas	Additional funding to support investment in change & innovation	DfE	DfE have agreed to an investment fund & exemplar funding; financial incentive models - MoJ have discussed with Westminster; Lewisham; Manchester, & have expressed willingness to discuss with Islington, Hull & others but will need a very strong business case to be able to consider; CB Group agreed that innovative finance should be progressed as part of the Group's work
All / many areas	Cross Ministerial Group	DCLG/All	Ministers met leaders from the 16 places on 3 March and are due to meet again 24 March. Baroness Hanham has written to leaders to invite a small group to meet more frequently to provide political leadership and progress specific issues.
All / many areas	Analytical support to help areas assess different approaches to FMP & evaluate impact of these & CBs	All	Analysts are available to support areas; area/dept. analyst working group established to develop evaluation approach; CB Group agreed to involvement of IfG; depts working with Greater Manchester & Birmingham on their CBA approaches
Blackburn, and others	Aligning Work Programme with CBs	DWP	DWP to write to preferred partners in CB areas to set out expectations and encourage them to work with local agencies. DWP to engage with contractors on an individual basis in areas where there were problems.
Lewisham	Access to discretionary JCP funding and staffing.	DWP	DWP want to be partners in delivery and confirmed JCP can pool discretionary funding around worklessness, though area partnerships must ensure they are engaging JCP.
Leicestershire /Blackburn	Places given time to vision, shape, design and learn to achieve the best solutions.	All	Government recognise that 1 <sup>st</sup> April is just one milestone in a longer CB process
Swindon	Clarity from Information Commissioner on legality of holding personal & sensitive information about an individual child on a family file	ICO	Positive response from Information Commissioner's Office provided to Swindon
Swindon	'Top down driven targets' on police forces	HO	HO no longer places any 'top down driven targets' on forces.
Swindon	Local flexibility over restorative justice approaches	MoJ	MoJ confirmed areas have flexibility on this.
Hull	Pooling of DTA / substance misuse budget	DH	DH confirmed flexibility for local drugs partnerships to pool
Hull	Pooling of public health budget	DH	DH confirmed flexibility for local pooling; Hull to contact DH if they find local barriers to this

Area	Issue	Dept	Outcome
Croydon	Commitment to prioritization of early intervention and preventative health services for 'families', so that new commissioning arrangements focus on investing health resources early enough to reduce costly interventions. May require a degree of direction to cluster PCTs & shadow GP consortia in the early stages, as recommended by the Allen review.	DH	Local areas need to set their own priorities. The recommendations of the Allen review are currently being considered and are helping shape the Social Mobility and Child Poverty strategies which will inform PCT clusters and GP Consortia. Local areas have been given the freedom to decide on the local priorities and areas to which they should focus their resources being responsive to the different needs of each community.

## **Update on Community Budgets**

1. Community Budgets were set up in the Spending Review to test whether bringing resources together (e.g. pooling) really will transform public service outcomes and to help deliver the Prime Minister's ambition to turn around the lives of every troubled family over the lifetime of this Parliament. The Structural Reform Plan states:

1.4ii: Implement Community Budgets in 16 places as part of a national effort to tackle problem families (milestone I: First phase of community budgets launched in 16 places by April 2011)

1.4iii: Evaluate the take-up and effectiveness of community budgets

1.4iv: Subject to 1.4iii, implement community budgets across the country (Jan 2013 to Apr 2013)

2. Community Budgets increase local control of funding (one of the government's six decentralisation actions). They enable areas to bring together resources to deal with cross-cutting issues (with phase one areas addressing problem families). In this way local decisions are made on how money is spent, including commissioning innovative solutions that meet their local circumstances.

3. Tackling families with multiple problems is a good test for the Community Budgets model because it requires many public sector organisations to act collectively, if not merge their interests, to be effective. Troubled families suffer many complex and inter-related issues including worklessness, mental health, drug and alcohol addiction. Evidence shows that intensive co-ordinated interventions with such families, tackling the full range of problems they face can deliver better outcomes for the families and substantial savings in public expenditure. Westminster and Swindon's family projects are good examples of this. Nor is there a one size fits all approach. The problems of problem families and the solutions can be very local.

4. There are two main types of requests emerged from Community Budget areas: flexibility / derogation from Whitehall rules and prescription of process and capacity to pool / align funds with proactivity in encouraging local agents to do so.

### **Progress so far**

5. The 16 Community Budget areas are on track for 1 April. All 16 have plans and projections for the number of problem families they will work with over the SR period. Some areas are well within the range of reaching all the likely problem families in their area and others need to scale up to reach all such families. In those cases the relevant Whitehall Champions supported by LG Group are working with areas to clarify the number of families to be supported, to encourage ambition and find out what would help areas to be more ambitious.

6. The day to day work is overseen by the Community Budgets Group chaired by Lord Bichard which consists of senior officials from across Government, Local Government and other sectors including the Voluntary and Community sectors. At the political level, a new group is being established by Baroness Hanham consisting of a small group of Leaders and Chief Executives from the 16 places will use the approach that proved successful for making progress on Capital Asset Pathfinders.

### **Scope for pooling**

7. There is a mechanism to pool funding and Government offered a menu of budgets available for pooling (largely) at local level. To date, most areas (with some exceptions, below) haven't requested that for 2011-12, instead aligning people and budgets. More are interested in locally pooling in 2012 onwards. Some areas, like Essex, believe that they can achieve what they need through alignment.

8. The Community Budget approaches to pulling together local resources are varied. For example:

- Blackpool is putting together resources in kind from the Council, Jobcentre plus, Mental Health, Substance Misuse services, and the voluntary sector;
- The 4 west London boroughs (Westminster, K&C, H&F and Wandsworth) want to pool DWP and MOJ funds especially, but accept alignment for now. They are pulling in Home Office (Drug Intervention), DH (mental health, drug & alcohol dependence, Family Nurse etc), the DfE Early Intervention Grant and MoJ resources.



**Annex D: Community Budget Area proposals on the number of families which will be supported compared to estimated distribution of Families with Multiple Problems and those families with at least one child with SEN or behaviour problems across Community Budget Areas (based on deprivation and child wellbeing index scores of local authorities). WARNING – the picture is continually evolving**

COUNTY NAME	Population estimates (mid-2009) <sup>1</sup>	No. of families with multiple problems (FwMP) <sup>2</sup>	No. of FwMP and a child with SEN or behaviour problems <sup>3</sup>	No. of families offered and accepted an intervention up to March 2010 <sup>4</sup> (start dates vary from 07/08 to 09/10)	No. of families to be supported in 2011/12 from CB proposal	No of families to be supported in SR period from CB proposal	Comments
<b>Barnet</b>	343,100	640 - 770	250 - 300	4	100	<b>400</b>	
<b>Birmingham</b>	1,028,700	4,150 – 4,210	1,630 – 1,650	44		<b>4000</b>	
<b>Blackburn with Darwen</b>	139,900	400 – 530	160 – 210	109	30	400 -530	Blackburn aim is to roll out new borough wide think family arrangements to all families (currently work with around 600), but much depends on the success of pilot phase.
<b>Blackpool</b>	140,000	470 – 560	190 – 220	102	50	<b>250</b>	
<b>Bradford</b>	506,800	1,710 – 1,810	670 – 710	54		<b>670-710</b>	The Family Intervention Project can support 50 families.As a new service model is implemented it is hoped that many more families can be supported but the number and timing is part of development work in the next few months.
<b>Croydon</b>	342,800	770 - 800	300 - 310	4	60	<b>280</b>	
<b>Essex</b>	1,399,000	2,170 - 2,270	850 - 890	21	80	<b>320</b>	250 families to be supported by 2013. The proportion of FwMP supported could increase substantially in following years, partly because of more effective early intervention.
<b>Islington</b>	191,800	790 - 840	310 - 330	12		<b>1080</b>	Proposing a new Family Outreach Support Service which will have capacity to target support at a 1,000 families at any one time (so nos. could increase) and at the specialist level, anticipate the no. of families reached over 4 years 300.
<b>Kent</b>	1,411,100	2,540 - 2,580	1,000 - 1,010	8	100		Kent has a timeline and plan but much depends on the success of its first phase. They expect to work with many of

<sup>1</sup> Office of National Statistics, 2009 population estimates

<sup>2</sup> FWMP in England is defined as those who have 5 or more of the following disadvantages (FACS, 2004): No parent in the family is in work; family lives in poor quality or overcrowded housing; no parent has any qualifications; mother has mental health problems; at least one parent has a longstanding limiting illness, disability or infirmity; family has low income (below 60% of the median); family cannot afford a number of food and clothing items. Using the estimated 117,000 families with at least 5 disadvantages, this column indicatively proportions a range of the number of families across all local areas, using the overall index of multiple deprivation and children's well being index combined with local population numbers (rounded to the nearest 10).

<sup>3</sup> FWMP and at least one child with SEN or behaviour problems (excluded from school, involvement with the police or ran away from home). This column uses the above formula with the 46,000 families (the portion of 117,000 families with child behaviour problems) as a base instead (rounded to the nearest 10).

<sup>4</sup> Official statistics release SR09-2010 Department for Education

							the estimated 2,500 families by 2013.
<b>Kingston upon Hull</b>	262,400	1,060 - 1,100	420 - 430	78	150	<b>690</b>	
<b>Leicestershire</b>	644,700	740 - 880	290 - 350	25	30	<b>740-880</b>	Incremental roll out from to 2012/13 onwards to all FCN in County, currently estimated at 740-880
<b>Lewisham</b>	264,500	870 - 950	340 - 370	43	<b>200-350</b>	<b>870-930</b>	This figure does not include the cross over there will be with other high cost family groups(crime/ workless) that will be targeted within their overall CB approach
<b>Lincolnshire</b>	697,900	1,330 - 1,410	520 - 560	4	50	<b>200</b>	The number of families to be supported in the long-term and the timing of this is subject to on-going development work
<b>MANCHESTER</b>					120	<b>480</b>	This figure may (largely) be additional to the number of families currently supported
<i>Bolton</i>	265,100	830	320 - 330	100			
<i>Bury</i>	182,600	360 – 410	140 - 160	4			
<i>Manchester</i>	483,800	2,280 - 2,490	890 - 980	159			
<i>Oldham</i>	218,800	650 – 710	250 - 280	121			
<i>Rochdale</i>	204,700	620 – 730	240 - 290	52			
<i>Salford</i>	225,100	800 – 870	310 - 340	73			
<i>Stockport</i>	283,700	540 – 590	210 - 230	16			
<i>Tameside</i>	215,400	580 – 660	230 - 260	32			
<i>Trafford</i>	215,300	330 – 390	130 - 160	5			
<i>Wigan</i>	306,500	640 – 870	250 - 340	21			
<b>Swindon</b>	198,800	360 – 380	140 - 150	9		<b>350</b>	
<b>WEST LONDON</b>					550	<b>2200</b>	
<i>Hammersmith and Fulham</i>	169,700	500 – 580	200 - 230	8			
<i>Kensington and Chelsea</i>	169,900	380 – 420	150 - 170	9			
<i>Wandsworth</i>	286,600	620 – 700	240 - 280	6			
<i>Westminster</i>	249,400	690 – 890	270 - 350	38			

The estimates in the table give a very rough idea of the number of families with multiple problems (FwMP) in each local area. The data is based on national estimates of the number of FwMP in England which has been apportioned between LAs using LA level deprivation measures. Due to this limitation and the age of some of the data these estimates should not be shared externally publicly to avoid misleading stakeholders or used to monitor the performance of local areas.