

Developing Community Budgets in Stockport

This item is for (delete as appropriate):

Information Discussion Decision

Summary

This report: describes the background to Community Budgets nationally and in Greater Manchester; outlines how they are being taken forward in Stockport; and suggests further steps to progress this work.

The report will be accompanied by a presentation.

Desired outcome:

That partners on the Stockport Board better understand the nature and purpose of Community Budgets and commission further work to progress their development as appropriate.

Stockport Board

23 May 2011

Report of: Strategic Partnership
Manager (SMBC)

Agenda item 4

Developing Community Budgets in Stockport

Introduction

1. The Coalition Government announced the development of Community Budgets in the October 2010 Comprehensive Spending Review. The intention behind the approach is to improve the way public services and local communities respond together to some of the most challenging issues in society.
2. In essence, a Community Budget is an approach to resourcing public services in partnership, in order to integrate, reform and improve these services and to design new ones. This approach is grounded in an understanding that people access public services as a 'whole system', rather than in silos as divided by local agencies or government departments.
3. Greater Manchester has been selected as one of 16 areas across England that will develop the first phase of Community Budgets. Partners in Stockport, led by the Council, have engaged in this work in order to benefit local residents and communities.
4. A presentation that uses examples to demonstrate the core ideas below will accompany this paper.

Origins and development

5. Local Strategic Partnerships, such as the Stockport Board, are an embodiment of the idea that we should look at how all public services interact across a particular place or in a particular community, rather than operating in silos. This idea is also at the heart Community Budgets, which are an attempt to join up services locally to improve outcomes, to save money or, by working more efficiently, to deliver more capacity from existing spending on services.
6. Community Budgets are an extension of the thinking behind the previous government's Total Place¹ initiative, which highlighted the fragmented nature of public spending in any given place. They reflect though the current Coalition Government's twin interests in localism and in reducing the public deficit, in that they bring greater financial freedom but no extra money. Instead, Community Budget pilot areas are encouraged to use new funding flexibilities to find ways to pool and align their resources to deliver innovative integrated services across their local area.

¹ See - <http://www.localleadership.gov.uk/totalplace/>

Community Budgets and Complex Families

7. When announcing the Community Budget programme the Government chose to give it a specific focus. As part of a wider national campaign spearheaded by the Prime Minister, Community Budget projects in the first wave are required to focus on interventions that can support and reduce the number of 'complex' families, or families with multiple problems in their area.
8. In many places, a small number families access a disproportionate number of high-cost acute and responsive services, such as the Police, Accident & Emergency or social care, and in doing so place a disproportionate cost on taxpayers. Such families will also, as a result of engaging with various services, often receive multiple interventions from a number of agencies (known as the 'crowd around the customer') that duplicate effort and expenditure, and that can create gaps which may mask significant problems or provide opportunities to 'play the system'.
9. Community Budget projects across the country are attempting to work intensively with such families, in the early stages as problems begin to occur, to increase their resilience and decrease their dependency on public services. This approach is designed to move public expenditure from expensive reactive services that treat the symptoms of people's problems, to more cost-effective, preventative services that try to treat the causes. The **accompanying presentation** will demonstrate this approach in more detail using data gathered by Salford City Council.
10. Partners may find it useful, at this stage, to make a mental distinction between Community Budgets as a model, or an approach to integrating and resourcing new types of services in partnership, and the application of that model to the issue of supporting complex families.

Community Budgets in Greater Manchester

11. The development of Community Budgets in Greater Manchester (GM) is explicitly linked to the GM Strategy's aim of creating 'prosperity for all'². Complex families, for example, are often furthest from the labour market, and children from such backgrounds often struggle to be 'school ready' at an early age and as a result can continue to struggle to create a productive and fulfilling life for themselves. Improving the services that are in place to support such families could benefit the wider community and the local economy as well as the families themselves.
12. The Association of Greater Manchester Authorities (AGMA), working with key partners across the city-region, has developed a programme architecture to support the development of Community Budgets. This is set out in **Figure 1** below.

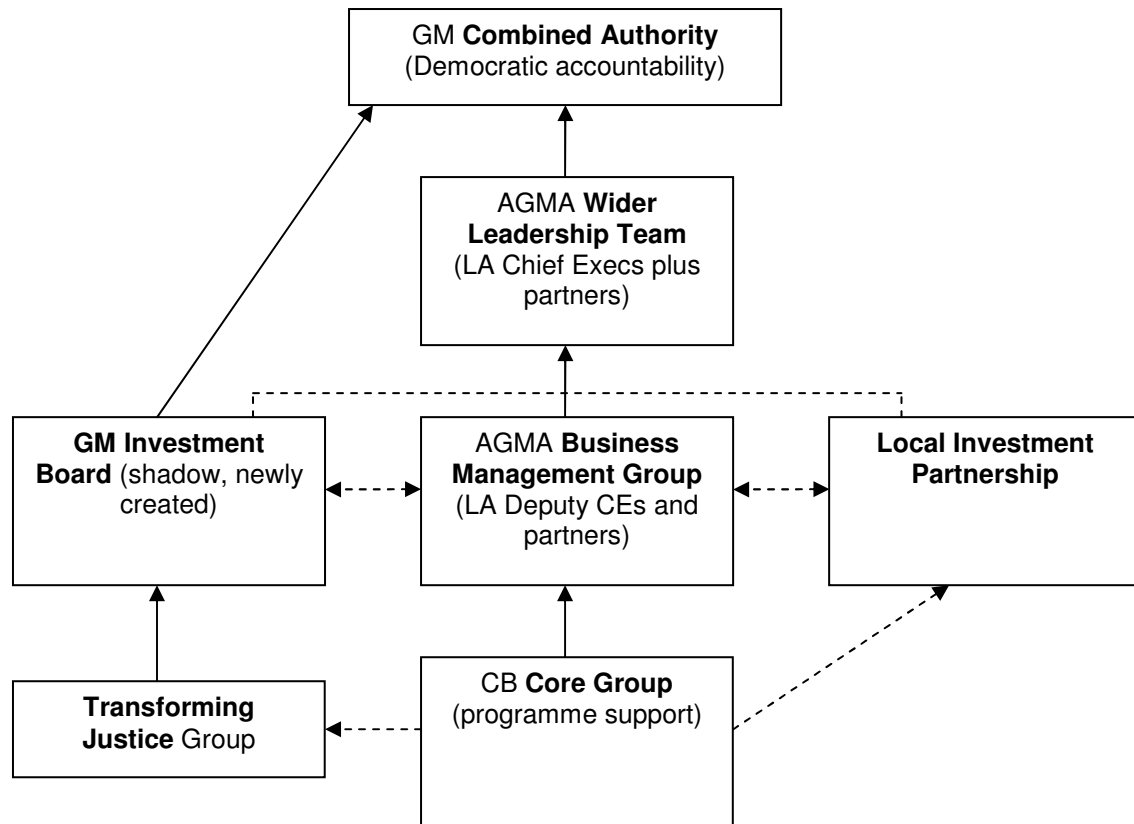
² See - http://www.agma.gov.uk/cms_media/files/final_gms_august_2009.pdf

13. The Community Budget programme is led within AGMA by Business Management Group, on which Stockport is represented by Ged Lucas (Deputy Chief Executive and Corporate Director for Communities, Regeneration and Environment, SMBC); Stockport are also represented on the Core Group, Wider Leadership Team and Combined Authority.
14. The Greater Manchester Investment Board has been newly created to play a role in supporting and monitoring Community Budget projects and to work with partners to resolve problems and scale up successful initiatives. It has a broad membership from public agencies and the voluntary and community sector; a full list of members is enclosed at **Annex A**.
15. Partners are asked to note in particular the role of the '**Local Investment Partnership**' in the programme architecture. Where a project is developed locally, such as with the work on Complex Families, the governance for this work should reside with the Local Investment Partnership. The definition of a Local Investment Partnership is flexible, and such a partnership is not currently required to adopt specific terms of reference. In general, it is advised that the role, which is consistent with that of the GM level investment board, should be performed by either the Local Strategic Partnership or the local Place Board.

Community Budgets and understanding costs

16. Community Budget projects nationally are attempting to understand how costs incurred in delivering public services flow between different agencies. They are also interested in how poor outcomes for people can increase costs for businesses and increase demand on community and voluntary groups for support. Greater Manchester has taken this work a step further, developing and introducing a cost-benefit analysis (CBA) model to inform its work. CBA is an economic modelling tool that is widely used in the private sector to predict the likely Return on Investment (RoI) from a particular product or strategy.
17. The use of CBA is not inherent within Community Budgets, though it is increasingly supported by both central and local government. Using CBA, partners can attempt to evaluate the likely success of a particular intervention (where there is an existing evidence base to draw on) and to model which partners can expect to see reduced demand on their services from this intervention.
18. Whilst the application of an economic modelling tool to social policy interventions is by no means straight forward, CBA does usefully focus efforts on understanding the costs of delivering public services and the way these costs flow to and between different partners. CBA can also provide a strong evidence base, in a time of spending cuts, to assure partners that they are delivering the best services for the available resource, and that they are avoiding duplicating effort. Such an evidence base will be key to sustaining Community Budget projects over time.

Figure 1 – Greater Manchester Community Budget programme architecture (hard line denotes accountability relationship)



Developing Community Budgets in Stockport

19. Community Budgets to support complex families are currently being developed by partnerships in all GM Districts. These have been captured in a 'pipeline' of innovative work that is being supported at GM level. In Stockport, the project that most closely resembles a Community Budget, and which is contributing to this pipeline process, is Act Family.

20. Act Family is a multi-agency approach to supporting whole families with multiple needs in our Priority 1 areas. It aims to streamline the supply of public services in partnership and to work with families to make them more resilient and to reduce their demand for public services. Act Family is being developed by a Steering Group, Chaired by Rebekah Sutcliffe (GMP), which reports to the Place Board; it is being managed by Stockport Homes on behalf of the wider partnership and is expected to 'go live' in July. An update on progress with this work will be given to the Board as part of the accompanying presentation.

21. The development of Act Family, and the strong buy-in seen from partners locally, gives Stockport an excellent opportunity to test some of the central assumptions that sit behind the Community Budget idea.
22. In progressing Community Budgets locally, the Stockport Board, working with the Place Board and Public Service Resources Board, has a key role in understanding, challenging and – where practice is successful – scaling up this work across the wider partnership and beyond. In order to fulfil this role the Board is recommended to:
- **Task the Place Board and Public Services Resources Board to work together to understand and progress Community Budgets** within Stockport, and to report this progress to future meetings;
 - **Task the Public Services Resources Board, working with the Act Family Steering Group and Stockport Homes, to produce a baseline of partners' costs relevant to Act Family**, and to ensure that relevant resources specialists are fully versed in the approach and in the ambition of Community Budgets;
 - **Adopt the role of Local Investment Partnership** as detailed in the governance diagram at **Figure 1** and as described at **paragraph 19**; and
 - Following the roll-out of Act Family, and drawing on this learning and on wider public service transformation work both within and beyond the Borough, to **task the Partnership Office to bring a report to a future meeting detailing the potential for wider application of Community Budgets in Stockport.**
23. In addition, drawing on the accompanying presentation and discussion, **partners are invited to suggest such further actions as are appropriate.**

Annex A

Current membership of the shadow GM Investment Board for Community Budgets (may be subject to change)

Organisation	Members (individuals may change)
AGMA	Sean Harris (Bolton) Geoff Little (Chair) (Manchester) Carolyn Wilkins (Oldham) Joanne Horrocks (support)
GM Fire and Rescue Service	Peter O'Reilly
GMCVO	Alex Whinnom
Association of GM PCTs	Warren Heppolette
GM Police	Gerry Shewan
GM Probation Trust	Roz Hamilton
HM Treasury	James Binks
Job Centre Plus	Phil Lowthian
Commission for the New Economy	Mike Emmerich
National Offender Management Service	Caroline Marsh
Ministry of Justice	Jonathan Slater
Govt Office North West	Sarah Bellinger