

# Community Budgets:

## FAQs for the Voluntary and Community Sector



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## 1. What are Community Budgets?

Community Budgets are a means to create new ways of delivering local public services. The Government's *Community Budget Prospectus* (DCLG: October 2010) describes them as "the freedom to design solutions"<sup>1</sup>.

"A Community Budget enables local public service providers to come together and agree how services can be better delivered, how the money to fund them should be managed and how they will organise themselves." p.9

They are about pooling local public sector funding streams and working out what this might mean, and what opportunities this might provide. For good and bad, they offer the possibility of, and opportunity for, local public sector service delivery to go back to the drawing board. Different areas will have different approaches to how far they engage in this potentially creative-destructive process.

It's a fairly new initiative; the second lot of pilots are now underway. It's very much in development and in many ways a beast made from the parts of other initiatives.

It's also true that Community Budgets are full of earnest localist principle. Consequently they are very likely to look different in different areas. You may not even know there's one near you.

## 2. How significant are Community Budgets? Are they just another pilot scheme? Will they affect my area?

Community Budgets are a means to radically review current local public service delivery and reprioritise the use of resources. This is the kind of process that is all too familiar to every area. Although the various Community Budget initiatives are being rolled out formally in certain areas, they are beginning to shape the future of local public service delivery and partnership working in areas not formally involved.

The "families with multiple problems" pilots are being rolled out extremely rapidly with another 50 areas expected to start in April of this year and a further 60 by April 2013<sup>2</sup>. Whether or not an area is a formal pilot or not, the logic and lessons of Community Budgets are likely to pervade every local authority area.

As part of this potentially radical shake-up of local public service delivery, Community Budgets *may* offer an opportunity to rethink how service-users and local communities are engaged in redesigning and delivering services.

Community Budgets are a significant development.

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<sup>1</sup> *Community Budget Prospectus* (DCLG: October 2010), p.9:  
<http://www.communities.gov.uk/publications/localgovernment/communitybudgetsprospectus>

<sup>2</sup> In other words, very nearly every area in England will have at least one Community Budget in development.

### 3. What are the aims of Community Budgets?

Community Budgets are seen, by the Government, as an important means to change public services so that they better reflect the proposed five principles of Open Public Service Delivery (choice, decentralisation, diversity of provider, fairness, accountability)<sup>3</sup>.

Community Budgets aim to make it easier for **local areas to...**

- “pool and save”<sup>4</sup>: to pool together multiple funding streams and accountabilities across multiple agencies and to redesign services in a way that eliminates duplication
- organise public spending by place, rather than by individual organisation or service
- invest in proactive interventions that prevent the need for more significant and costly services later
- draw in additional (non-public sector) resources (e.g. private sector investment, volunteering, Lottery funding)
- reprioritise the use of local public sector resources.

Community Budgets are being seen as a powerful, genuinely localist tool to cope with cuts and even improve public services. It’s a tool that appeals both to those seeking to maintain and to those seeking to radically alter the local worlds of public service delivery (including the power structures, working relationships, means of accountability and governance, funding streams, and priorities, as well as the impact of public services). This cross-perspective appeal should give this initiative momentum.

### 4. What’s happened so far?

Much of the work on Community Budgets builds on other initiatives, many of which precede the Coalition Government. They include initiatives like Local Integrated Services, small area budgets, Total Place, participatory budgeting, and co-production. More broadly, the work to develop community strategies, to agree local priorities and begin to develop co-ordinated service delivery solutions through Local Area Agreements can feed into the development of these Community Budget pilots.

From these roots, a number of versions of Community Budgets have developed:

**The first Community Budgets focused on families with multiple problems** and were launched in 16 areas (covering 28 upper tier local authorities) on 1st April 2011. The purpose of these Community Budgets is to...

“focus on all issues faced by families rather than treat each one in isolation by pooling local resources and know how. The council, local police, social services, Job centres, schools and housing groups will work together as one

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<sup>3</sup> These principles were originally set out in the Government’s Open Public Services White Paper: <http://files.openpublicservices.cabinetoffice.gov.uk/OpenPublicServices-WhitePaper.pdf>. VSNW’s response in partnership with NWRWU, 1NW and C&YP NW is here: <http://www.vsnw.org.uk/publications/view/2011-10-07-open-public-services-white-paper-opswp-consultation-submission> (VSNW: October 2011)

<sup>4</sup> Headline from 21<sup>st</sup> December 2011 press release from the Department for Communities and Local Government: <http://www.communities.gov.uk/news/newsroom/2056449>

so families are no longer bounced between a myriad of programmes and professionals.”<sup>5</sup>

Cited early successes include Salford cutting the cost of services to one family by two-thirds and families in Islington, many living in poverty, now have a single point of contact to get the help they need. Spurred on, the Department for Education is calling for a further 50 areas to begin running a *Community Budget for families with multiple problems* by April 2012 and 60 more by April 2013.<sup>6</sup> Alongside this, the [Troubled Families Unit](#)<sup>7</sup> has been established with a cross-departmental budget (£448m) to offer local authorities a payment by results reward for successful *cost-saving* delivery.

The twelve areas in the North West looking at this type of Community Budget are the ten Greater Manchester boroughs, Blackpool and Blackburn with Darwen.

**Transforming justice and payment by results:** At the same time as the family focused pilots began, The Ministry of Justice launched Justice Reinvestment initiatives, operating in Greater Manchester and in five London Boroughs. These initiatives are exploring the use of payment by results and are dovetailing, certainly in Greater Manchester, with the Community Budget and Local Integrated Services initiatives.<sup>8</sup>

Whether or not Community Budgets and payment by results are connected in the pilot areas and beyond, the ability to demonstrate the impact of relevant delivery, for either model, will be essential<sup>9</sup>.

## 5. What's next?

In January of this year, the Government kicked off a new phase of Community Budgets. Following a local authority-led application process, two distinct types of place-based Community Budget pilot are now being developed:

- **Neighbourhood-level Community Budget pilots** (10 areas)
- **Whole place Community Budget pilots** (4 areas)

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<sup>5</sup> Department for Communities and Local Government press release launching Community Budgets <http://www.communities.gov.uk/news/newsroom/1875618>

<sup>6</sup> Further details, including specific support from the Department for Education for this type of Community Budget: <http://www.education.gov.uk/childrenandyoungpeople/families/multipleproblems/a0078047/community-budgets>

<sup>7</sup> Troubled Families Unit press release: <http://www.communities.gov.uk/news/newsroom/2052313>

<sup>8</sup> An overview of the progress of Greater Manchester's Transforming Justice pilot was recently provided at a joint Clinks/VSNW/Five Counties event ('Opening Doors') by John Hannen, Greater Manchester Centre for Voluntary Organisation, provided an overview of Greater Manchester's Transforming Justice pilot: [www.vsnw.org.uk/files/john\\_hannen.ppt](http://www.vsnw.org.uk/files/john_hannen.ppt).

<sup>9</sup> A number of the Office for Civil Society's strategic partners have been funded to support this work (see VSNW Briefing #62: <http://www.vsnw.org.uk/publications/briefings>) while a consortium of national agencies have published a work plan (Inspiring Impact (NPC: December 2011: [http://www.philanthropycapital.org/publications/improving\\_the\\_sector/improving\\_charities/inspiring\\_impact.aspx](http://www.philanthropycapital.org/publications/improving_the_sector/improving_charities/inspiring_impact.aspx)). Local VCS Support agencies and consortia leads may already be engaging with public sector partners and be in discussion around prospective delivery need and mapping the voluntary sector supply chains. This is an explicit part of the Whole-Place Community Budget pilot process.

These pilots are part of the *Local Government Resource Review* (and follow from *The Spending Review 2010* commitments). They are therefore at the heart of the Government's and the Department for Communities and Local Government's (DCLG's) plans for the future of councils and how all local public sector agencies operate. The 14 successful bids for these new Community Budget pilots were announced on 21 December 2011 and are expected to begin delivery by April 2013. Their development is already moving at pace.

## 6. What are Neighbourhood-level Community Budgets?

The aim is to create neighbourhood<sup>10</sup> level services, *co-designed with local residents*. From February to December this year, local residents and service partners in the ten pilot areas will look at new ways of using the resources in that neighbourhood (including public sector spend) and will submit a Community Budget plan to Government before the end of 2012.

The key questions (taken from the Community Budget Prospectus<sup>11</sup>) for these pilots include:

- what are the public services that can and cannot be managed at a neighbourhood level? (p.14)
- what needs to be in place to enable communities to take more control of neighbourhood services? (p.14)
- how can “proper accountability mechanisms” be ensured both for residents and (through public sector agencies) to local taxpayers? (p.15)
- how can all the resources<sup>12</sup> in the area (“people, assets and money”) be harnessed? (p.16).
- what arrangements work best? i.e. what is most effective, efficient, equitable and sustainable in *those* neighbourhoods? (p.20)

## 7. What forms of support are being offered to Neighbourhood Budget pilots?

The Government is offering formal pilot areas a menu of support that could include community development and advocacy support, access to a Community Organiser, to technical expertise (e.g. financial, legal, research and analysis, a “barrier busting lead” civil servant), and access to a learning support network (*Prospectus*, p.19).

## 8. What sort of neighbourhood services might be reviewed?

According to the press releases, specific neighbourhood services that are being looked at so far include: community engagement, welfare (family support services, families at risk), health and social care including wellbeing, housing, economic (support for local enterprise,

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<sup>10</sup> The Government's criteria asks for a “recognisable neighbourhood” (Community Budgets Prospectus, p.17) with a population in the range (there is flexibility) of 5,000 to 25,000.

<sup>11</sup> *Community Budget Prospectus* (DCLG: October 2010):  
<http://www.communities.gov.uk/publications/localgovernment/communitybudgetsprospectus>

<sup>12</sup> Defined on page 20 as: “cash budget... voluntary action, community-held assets and tools, and forms of social finance” (p.20).

unemployment services), 'clean/green', safer neighbourhood (policing, crime), parish functions, libraries and highways.

A brief outline of the ten neighbourhood-level Community Budget pilots (none in the North West) is included in Appendix 1.

## **9. Who's leading on the review of neighbourhood services?**

Councils will have a key role but some of the pilot proposals said that the neighbourhood Community Budget pilots may be headed up by non-public sector bodies. Proposals include: a social enterprise, a community enterprise, a Community Partnership, and a housing association.

## **10. What are whole-place Community Budgets?**

The objective of whole-place Community Budgets is... "To thoroughly test out how Community Budgets comprising all funding on local public services [across a larger area] can be implemented" (*Prospectus*, p.23).

This version of Community Budgets aims to include much more significant proportions of funding (the aim is "all funding") going into larger areas. Whole-place Community Budgets could create significant, large-scale changes in local public service delivery.

The four whole-place pilot areas, two of which are in the North West, are:

- i. Greater Manchester;
- ii. Chester and Cheshire West;
- iii. Essex;
- iv. Working across three London boroughs (Westminster, Kensington & Chelsea, Hammersmith and Fulham).

The aim is to begin delivering the new service arrangements (whatever they may be and whatever they may include) from April 2013.

## **11. What are whole-place Community Budget areas doing this year?**

A joint team, comprising local authorities, their partners and a team of Whitehall officials (as part of the support package for these pilots), will be set up in each pilot area to develop an Operational Plan by October 2012 that ...

"...sets out what a single budget, or options for pooling and aligning resources, for the place would look like, the outcomes it would deliver, governance arrangements, the redesign of services required to achieve the outcomes and how new financial approaches would work."

*Terms of Reference: Second Phase Local Government Resource Review*, p.2

The operational 'mapping out' of how a whole-place Community Budget would work and what needs to be done includes a number of required considerations. There's a fuller list included in Appendix 4 but **of particular note for voluntary and community sector (VCS) groups are the following actions:**

- identify and understand existing delivery chains (private and voluntary sector)
- involve communities and local people in the design of a new approach to service delivery
- identify effective governance and accountability arrangements (local and national)

Building on previous consortia and network activity, Greater Manchester Centre for Voluntary Organisation (GMCVO) has begun mapping out voluntary sector delivery chains. Initial pilot mapping in Greater Manchester has drawn on the themes of the Greater Manchester Strategy and is looking at the broad roles of the sector in the following areas of service delivery:

- i. Children under 5 years old;
- ii. Troubled families;
- iii. Reducing Reoffending
- iv. Health and Social care.

The latter has been further broken down into areas of delivery according to the Darzi care pathways [*Transforming Community Services*, DH 2009]:

- a. Mental Health
- b. Long-term conditions
- c. Acute services closer to home
- d. Promoting Health & Wellbeing and Reducing Health Inequalities
- e. Rehabilitation & Long-term Neurological Conditions.

## 12. How will the Community Budget pilots be assessed?

Formal assessment criteria for the success of Community Budgets comes from three sources:

- Department for Education have developed assessment criteria for the families with multiple problems community budgets<sup>13</sup>.
- The link to the five principles of the Open Public Services White Paper<sup>14</sup> is important and provides an appropriate terminology for challenge and for assessing success for all changes in public service delivery:

**choice** – wherever possible, we will increase choice

**decentralisation** – power should be decentralised to the lowest appropriate level

**diversity** – public services should be open to a range of providers

**fairness** – we will ensure fair access to public services

**accountability** – public services should be accountable to user and to taxpayers

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<sup>13</sup> Resources for evaluating individual projects and interventions are available here: <http://www.education.gov.uk/childrenandyoungpeople/families/multipleproblems/a0078053/evaluation-and-assessing-cost-effectiveness>. They include a link to Interface Associates who are supporting delivery in the 16 pilot areas. The North West contact is: Nafisa Mathia [nafisa.mathia@interfaceassociates.co.uk](mailto:nafisa.mathia@interfaceassociates.co.uk)

<sup>14</sup> Open Public Services White Paper (Cabinet Office: July 2011): <http://www.cabinetoffice.gov.uk/resource-library/open-public-services-white-paper>



- **Most importantly:** *Terms of reference: Second Phase of the Local Government Resource Review*<sup>15</sup>

According to page 1 of the *Terms of Reference: Second Phase of the Local Government Resource Review*, the pilots will be assessed by how they can be used to...

- “give communities and local people more power and control over local services and budgets”
- “develop outcomes, service solutions and a single budget, or options for pooling and aligning resources, comprising all spending on public services in an area”.

These may be thought of as overarching principles and, where process and other interests take over, the first criteria above may be usefully remembered.

Other criteria, specific to each type of the new Community Budget pilots are available here:

- Neighbourhood pilots: see **Appendix 2**. Of interest is that the criteria includes the question of how a ‘*Right to a Neighbourhood-level Community Budget*’ might be defined.
- Whole-place: see **Appendix 3**. The bid application guidance “threshold criteria” called for particular emphasis on the principles of ‘Choice’ and ‘Diversity of provider’.

### **13. How will the lessons from the whole-place pilots be shared?**

In order to build momentum and ensure a replicable model, the Government is establishing a Challenge and Learning Network involving 14 councils to act as a sounding board and to share learning.

Fourteen councils will sit on the network: Birmingham; Blackburn with Darwen<sup>16</sup>; Cornwall; Durham; Hertfordshire; Lincolnshire; Greenwich; Harrow; Sheffield; Shropshire; Sunderland City; Swindon; Wiltshire; and Worcestershire.

Details of LGA-hosted events, for neighbourhood and whole-place pilot areas are available on the following Local Government website:

<http://www.localleadership.gov.uk/communitybudgets/>

### **14. Is there formal guidance about Community Budgets?**

There is no formal guidance. However, Government have published a Prospectus<sup>17</sup> about the neighbourhood and whole-place Community Budget pilots. It emphasises localism and the Open Public Service White Paper principle of decentralisation as the informal rule of thumb:

“Developing a Community Budget means a culture change in the way local and national partners work together – there is no rulebook or blueprint from

<sup>15</sup> *Terms of Reference: Second Phase of the Local Government Resource Review* (DCLG: June 2011): <http://www.communities.gov.uk/documents/localgovernment/pdf/1933423.pdf>

<sup>16</sup> Besides the pilot areas, Blackburn with Darwen is the only North West council on this network.

<sup>17</sup> *Community Budget Prospectus* (DCLG: October 2010), p.9: <http://www.communities.gov.uk/publications/localgovernment/communitybudgetsprospects>

Whitehall telling partners what they can and cannot do, what must be included or excluded from the Community Budget and who must or must not be involved in developing it. Community Budgets will, therefore, be different in different places.” (Prospectus, pp.10/11).

## 15. How will VCS groups engage in Community Budgets?

Engagement will rely on relationships and on what organisations can bring to the table. As previously outlined (Question 14), DCLG’s *Prospectus* specifies that there is “no rulebook ... on who must or must not be involved” (p.10).

Having said this, the *Prospectus* also states that the Government would expect the private and voluntary and community sectors, as *delivery partners*, to be “effectively and actively engaged in the pilots though they may not necessarily be full time members of the project team” (p.35).

In the two whole-place pilot areas in the North West, groups should look to engage through the VCS leads that took part in the successful bidding process:

- **Greater Manchester Centre for Voluntary Organisation.** Neil Walbran, *Senior Policy and Partnerships Officer*, is currently mapping potential VCS supply chains: [neil.walbran@gmcvo.org.uk](mailto:neil.walbran@gmcvo.org.uk).
- **Third Sector Assembly Cheshire West.** The key contacts in Chester and Cheshire West for their Community Budget (which is called ‘Altogether Better’) are:
  - Anne Lancaster , Third Sector Assembly (Cheshire West) Co-ordinator: [anne.lancaster@chesterva.org.uk](mailto:anne.lancaster@chesterva.org.uk)
  - Christine Baker, Chief Executive, Learning Together Cheshire and Warrington, who is the Assembly’s representative on the Public Services Board (the main decision-making board)
  - Carol Berry, Chief Officer, Chester Voluntary Action, who is the representative on the Operational Steering Group which feeds into the Public Services Board.

According to Robert Beard, NAVCA’s Policy Officer, “*Signs from the four [whole-place] pilot areas are very encouraging... The involvement of civil society was one of the key things the government looked at when selecting pilot areas.*” Looking to the future he adds: “*If this is rolled out, we don’t know how many areas will have a voluntary sector representative at the table, but it should at least encourage local authorities to think again about involving the sector.*”

The change in emphasis (especially with the whole-place pilots) might be summed up as: think local delivery partnerships rather than local strategic partnerships.

The broader engagement of the local voluntary will be strongly dependant on how groups work together and pitch their offer (capability, impact, reach, innovation, quality and risk management strategy) to public sector partners.

## 16. Will Community Budgets affect VCS funding streams?

The emphasis has been on rationalising public sector funding streams which will affect groups in receipt of public sector funding.

However, Community Budgets may have a significant effect on other VCS funding streams. It is too early to be sure and different things will happen in different areas. Possible outcomes include:

- **Community Budgets may attract social investment** (new and/or diverted sources of investment). A cross-sector vehicle, backed by the public sector, focused on the big local issues, may be an attractive offer for potential investors. If it suits anyone, a payment by results model would suit this kind of partnership delivery model, a model that can consider how smaller organisations can also engage.
- **Community Budgets may draw in other, traditionally “VCS, funding streams”:** charity trusts, lottery funding, public sector grant pots.
- **Community Budgets may attract central Government departmental funding:** This is too soon to say but we can already see that DCLG’s Troubled Families Unit has a limited pot of money to support ‘payment by results’ delivery and the Department for Education are allowing access to future Early Intervention Grant. However, we can already see that financial vehicles linked to delivery partnerships (like Community Budgets) could also, in a more indirect way, draw in other streams of spending through such initiatives as: the Work Programme, apprenticeships, skills funding, and Regional Growth Fund, etc. It may be that, for areas dealing with certain issues, they will be able to attract funding in a way that would equate to a new era of area based grants.
- **Community Budgets may attract European funding and provide routes for match-funding.**

As mentioned, this is very much conjecture, but it raises some likely future issues. The big pro and con may be that Community Budgets become

- an extremely effective mechanism for drawing in funding to an area that can (depending on relationships) benefit VCS groups; public funding success may depend on one relationship rather than many.
- That, ironically, in a Big Society era, reliance for a subsector of VCS groups on the public sector increases. This will present significant challenges for the sector’s independence.

## 17. Are Community Budgets just a way to implement cuts?

Besides developing a financial vehicle that can draw down new sources of (non-public sector) finance (e.g. social investment, charity trust funding, lottery funding), Community Budgets will identify service delivery priorities (and therefore what is not a priority).

Cashable savings (reducing the use of public resources) are a big part of Community Budgets. Inevitably, some of this will be about the flexibility to implement cuts and maintain services. Community Budgets will be used to identify what parts of public sector delivery (structures, job roles, commissioned out services) could be cut. This will entail developing a formal decommissioning process based on the new service delivery rationales which in turn will be part of the operational plans that are submitted to Government at the end of this year.

On the other hand, there is the possibility that Community Budgets could also be about developing better public services that reduce the need for intervention, and provide a mechanism to come up with proactive answers (e.g. prevention/reducing reoccurrence), and find ways to solve, rather than just deal with, problems.

### **18. Are VCS groups in this for the long term?**

Given this is a pilot phase, there's no way of knowing what will happen with Community Budgets. It seems certain that the logic will shape the future of local public sector agencies and service delivery.

Whether VCS groups can continue, especially in the whole-place Community Budgets, to be engaged will depend on the how effectively groups are linked in and can continue to be linked in. Relationships and delivering the goods will be critical. In the long term, 'winners and losers' will be determined by who can talk the language of professional public sector service delivery. Key to this will be:

- i. Proving that a diverse risk strategy (not a one size fits all model) can work best
- ii. The ability to integrate services. This will mean having data that can be integrated will public sector agencies' data. This does not necessarily mean doing this on a group by group basis.

### **Links to further information**

A Community Budgets Prospectus (DCLG: October 2011)

[www.communities.gov.uk/publications/localgovernment/communitybudgetsprospectus](http://www.communities.gov.uk/publications/localgovernment/communitybudgetsprospectus)

Terms of Reference for Second phase of the local government resource review (DCLG: June 2011): [www.communities.gov.uk/documents/localgovernment/pdf/1933423.pdf](http://www.communities.gov.uk/documents/localgovernment/pdf/1933423.pdf)

Department for Education's Community Budget resources and support pages:

<http://www.education.gov.uk/childrenandyoungpeople/families/multipleproblems/a0078047/community-budgets>

Troubles Families Unit press release:

<http://www.communities.gov.uk/news/newsroom/2052313>

Local Government support and learning web-portal:

<http://www.localleadership.gov.uk/communitybudgets>

## Appendix 1: Neighbourhood level Community Budget pilots - outline

### Summary of the Neighbourhood-level pilots:

Specific neighbourhood services being looked at include: community engagement, welfare (family support services, families at risk), health and social care including wellbeing, housing, economic (support for local enterprise, unemployment services), 'clean/green', safer neighbourhood (policing, crime), parish functions, libraries and highways.

Lead oversight, in some cases, may be headed up by non-public sector bodies; proposals include: a social enterprise, community enterprise, Community Partnership, and a housing association.

### Below is a listing of the broad aims of the ten successful Neighbourhood level Community Budget pilot areas.

**Hammersmith & Fulham (White City)** want to integrate neighbourhood service budgets including welfare, crime, social care and 'clean/green'.

**Tower Hamlets (Poplar Harca)** want their neighbourhood services to include support for local enterprise with more spent on services than bureaucracy.

**Bradford Trident** will co-commission parish functions, health and unemployment services with youth and sports centres run by a social enterprise.

**Tunbridge Wells (Sherwood)** aims to devolve all appropriate service funding to the neighbourhood.

**Kingston (Norbiton)** will extend Local Integrated Services to all neighbourhood funds looking at housing, policing and community engagement.

**Haverhill** will devolve a pooled budget to the 'One Haverhill' partnership. This will embed local knowledge and community influence over services.

**Birmingham (Balshall Heath, Shard End, Castle Vale)** want the pilots to become a catalyst for more pooled budgets focused on prevention. Balsall Heath Forum and Shard End will be community led approaches while Castle Vale Community Partnership will be housing association led.

**Westminster (Queens Park)** will create a Recovery and Early Action Partnership to bring all relevant services and residents in the neighbourhood together to focus on families at risk.

**Ilfacombe (North Devon DC)** will create shadow accounts in "Virtual bank" as the first step to co-commissioning, before moving to budgetary control. It will look at neighbourhood services, libraries and highways.

**Newcastle (Cowgate, Kenton Bar, Montague)** will broker agreements so ward committees can invest in family-support services delivered by a community enterprise.

## Appendix 2: Assessing Neighbourhood Level Community Budgets

By the *Terms of Reference: second phase of the Local Government Resource Review* the co-design work will explore:

- a) the level of influence or control wanted by the community
- b) which services should be included, given existing commitments
- c) the right spatial level for the approach to be effective
- d) balancing community 'demands' against wider area considerations
- e) the scope for matching the cash element of the Community Budget with community resources like volunteers, tools, equipment, secondments, use of local buildings etc
- f) the potential to develop new funding arrangements like community shares
- g) governance and accountability
- h) what sort of community capacity is needed
- i) the cost effectiveness of the approach
- j) developing a mechanism for areas to benefit from the best information and case studies on very local control of budgets and services
- k) how a 'right to a neighbourhood level Community Budget' could be defined

## Appendix 3: Whole-place Community Budget pilots - outline

Below is a listing of the broad aims of the four successful whole-place Community Budget pilot areas.

**Greater Manchester** aims to use joint investment from a range of partners to reduce levels of public service dependency and support growth critical to creating 56,000 private sector jobs over the next four years. They will use local evidence to decide how best to address cross cutting priorities like unemployment, low skills and dependency to support early intervention and an 'invest to save' approach. This will result in greater efficiency and public spending savings. Further details:

[http://www.agma.gov.uk/commissions1/improvement\\_efficiency\\_commission/community-budgets/index.html](http://www.agma.gov.uk/commissions1/improvement_efficiency_commission/community-budgets/index.html)

**Cheshire West and Chester** plan to review over 150 local services that have the potential to pool a single budget of £3-4 billion. They will make neighbourhoods safer and cleaner. Create new opportunities for jobs and learning as part of a 'better deal' for unemployed people. A first class children's centre will be at the heart of the community plus help for older residents to lead independent lives.

**West London**- Hammersmith & Fulham, Kensington & Chelsea, and Westminster - have put together a 'Tri-Government Guarantee', setting out their targets these include making sure

every young person under 25 has a job or is in training or education; 80% of children across the three boroughs achieve five A\*-C grade GCSEs; access to high-quality affordable housing. The pilot will involve radically redesigning services and aligning funding in a number of key areas over the next 12 months.

**Essex** will encourage residents to play a greater role in their community and in helping to shape good value public services. Any savings delivered could be reinvested back into prevention and early intervention, not handed back to the Treasury. Local priorities include health and social care, skills for young people, economic growth and community safety. £10.4bn of public sector spending could be part of the pilot's review of services.

## **Appendix 4: Requirements for a Whole-place Community Budget operational plan**

The *Terms of Reference: Second Phase of the Local Government Resource Review* require that, in developing a proposed Operational Plan, local joint teams will need to:

- develop a shadow Budget for each place (mapping resources including assets)
- explore longer term resourcing issues for local government identified in the proposed business rate reforms
- understand how the single budget for each place can operate alongside national spending decisions for strategic national priorities, taking account of existing commitments
- ensure identified options for a single budget fit with the Government's on-going reform agenda and exploit opportunities within it
- identify and agree national and local outcomes that would be delivered
- identify and understand existing delivery chains (including the voluntary and community sector and private sector)
- establish what local people need and want from their services, using customer insight and visioning techniques
- involve communities and local people in the design of a new approach to local service delivery
- develop and adopt a robust methodology for appraising the costs and benefits of each option identified for implementing a single budget for a place and business as usual arrangements
- identify effective local structures, governance and accountability arrangements
- ensure there is effective accountability from central Government to Parliament for public spending
- use business process re-engineering and service redesign to transform services
- deliver a gap analysis: what is required to get from 'as is' to where the area wants to be
- identify timescales and a range of options for practical implementation
- develop an implementation plan/approach

**VSNW** (Voluntary Sector North West) is the regional voluntary sector network for the North West. The purpose of VSNW is to ensure that the voluntary and community sector (VCS), in all its diversity, takes its full part in shaping the future of the North West.

VSNW works with 150 members which

- work across the region directly supporting and delivering services for individuals, or
- are VCS infrastructure organisations (LIOs) that work with local voluntary and community groups.

VSNW members provide community services, regenerate neighbourhoods, support individuals, promote volunteering and tackle discrimination. The 40 generalist LIOs in membership of VSNW have a membership of 6,780 VCS groups and are in contact with 19,800 local voluntary and community sector groups in the North West – just under two-thirds (63%) of the region's VCS groups.

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