Local Public Service Transformation
A Guide to Whole Place Community Budgets
Whole Place Community Budgets

A bold attempt to fundamentally redesign public services has demonstrated that by re-wiring services around people and places, with the right people and determination, radical and positive results can be achieved.

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When I became Prime Minister, I made clear that I was going to lead a different sort of Government. Rather than hoarding power in Whitehall, I wanted us to be the Government that gave it back to people.

Decentralising power isn’t just right, it works. People on the ground know what’s needed to improve their area, and how to get value for money in achieving it. The Whitehall blueprint just can’t match local knowledge.

That’s why last year we launched Community Budgets. In a number of pilot areas, we gave unprecedented power to people who run public services locally like councillors, police officers and health workers. We asked these local leaders to come together to decide the priorities for their community – and then let them spend a joint budget as they saw fit.

As you’ll see, the results so far are very promising. People’s lives can be improved at the same time that money is being saved. As just one example, one pilot area in London wanted to cut crime. Local organisations worked together to come up with a plan that will see reoffending of short-sentence prisoners drop by 10 per cent, and up to £6 million saved for the taxpayer.

Community Budgets have been shown to work and I hope many of you reading this will decide it’s something for you too. But of course, a foreword from me isn’t the best way to sell this. For that, you’ll need to read on. In this booklet, you’ll find out more about the people who are putting the scheme into place – coming up with the local ideas that are changing the way our country is run.

So if you’re thinking about using a Community Budget, go for it and get involved. After years of top-down targets and centralised plans, we’re finally giving you the chance to take control of your area and change it for the better: seize it.

March 2013
The need for transformation of local services is one of the key challenges the public sector faces today and no public servant is exempt from facing it.

The four Whole Place pilot areas, Essex, Greater Manchester, Tri-borough and West Cheshire, have demonstrated the enormous potential of the community budget approach. As the Leader of the Royal Borough of Kensington and Chelsea, a partner in Tri-borough with Hammersmith and Fulham, and Westminster, I have been privileged to take part in and learn from this experiment in public service reform.

Within their local partnerships, and with the support of Whitehall colleagues, the pilots have broken down cultural and organisational barriers to allow innovation and to show the potential for rewiring public services around people and places. They have developed implementable business cases that not only show how services, whether led by national or local government, can be joined up and improved to deliver better outcomes for people in their areas, but also deliver significant financial benefits for the tax payer – and from April 1 this year will move to implementation of the new approach.

These four areas have no monopoly on this style of working, though. Other places are developing whole-place approaches, too, and I look forward over the coming months to seeing the movement grow. I have been delighted by the evidence I have seen that this approach can enable us to serve taxpayers better and I hope this guide will encourage ever more areas to devise their own whole place approach. The rewards are too great to be ignored.

Councillor Sir Merrick Cockell
Chairman of the Local Government Association (LGA)
About this guide
WHOLE PLACE COMMUNITY BUDGETS

This guide describes how partnerships between public sector organisations in four areas, Essex, Greater Manchester, West Cheshire and the London Tri-borough (Hammersmith & Fulham, Kensington & Chelsea and Westminster), piloted a new approach to local public service transformation during 2012.

In each of the four areas a range of partners, including NHS Trusts, the police, Jobcentre Plus, councils, the voluntary and private sectors and educational establishments worked together. When the guide refers to Essex, Greater Manchester, West Cheshire or Tri-borough, it is referring to all the partners involved in the area and not any one of the individual partners.

The guide sets out the purpose, key principles and potential benefits to public services and local people. It also explores what other areas might do to adopt similar approaches, from deciding where to focus efforts to building an evidence base and developing new service models. It captures some of the key learning that has emerged so far, describing the challenges those four areas have overcome and – crucially – how they did it. This guide, together with the online resources that accompany it, is intended to help other areas which aim to take a similar whole place approach to reforming services.

see www.communitybudgets.org.uk for further advice and support.
Introduction

A NEW WAY OF WORKING

This way of working offers a new approach to local partnership delivery. The work of the pilots demonstrated an enormous opportunity to drive the local public service transformation needed to enable a reduction in the cost of public services. But importantly it starts from the premise that working in a way that’s financially and socially sustainable means tackling failure before it happens and so driving down demand for services before it’s created.

The work in the four pilot areas has shown that there is not only the potential to deliver better outcomes, but also to realise substantial financial savings. For example Ernst & Young’s work on behalf of the Local Government Association (LGA)\(^1\) has shown that aggregating the results of the pilots on the themes of health and social care, troubled families and work and skills provides an opportunity for a potential five year net financial benefit for the taxpayer, with all partner organisations having a share in the savings.

The whole place community budget approach builds on the best that partnership working has brought to date, but has tried to take it to a new level using compelling evidence from people’s experience and cost benefit analysis to make the case for new ways to deliver services. In addition the pilots have developed new models of co-investment in those services to ensure they can be sustained.

The pilots have demonstrated the benefits of aligning resources, reducing duplication and sharing information through working together to break down public, voluntary and independent sector boundaries and joining up related, but disconnected delivery silos. Building on the experience of the pilots, this guide provides public sector leaders and their voluntary sector and business partners across the country not only an introduction to community budgets and what they can help areas to achieve, but also some of the critical building blocks to make it work.

THE CONTEXT

- Local public services can often be inflexible and fragmented; focused around the needs of organisations rather than communities and individuals; and they sometimes fail to deliver the outcomes communities need and expect.
- Services tend to be too reactive and address today’s problems with too little emphasis on preventing those of tomorrow: early intervention is important in reducing pressure on the public purse.
- At a time of ongoing budgetary constraint, there has never been a greater need for local public services to work together to deliver better outcomes for lower cost.

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Ernst & Young LLP
THE AMBITION

Service redesign means much more than partnership working. While many local partners already work together to improve the way that agencies and services join-up, the approach taken by the whole place community budget pilots has some important new components that enable:

• shared investment agreements and service redesign, backed up by robust cost benefit analysis across different organisations
• the rewiring of public services and spending around communities and the people who use services, rather than by individual organisations or service providers
• the bringing together of local government, the NHS, emergency services and national government agencies to redesign services around the needs of local communities and residents. The evidence from the pilots shows that the models they have developed can be replicated.

THE ACHIEVEMENTS

Since starting work at the beginning of 2012, the pilots have each:

• designed new models of service delivery
• identified the changes needed to national policies to enable the full potential of these reforms to be realised
• developed robust, evidence based business cases, supported by cost benefit analysis, demonstrating the potential not only for significant financial benefit for all partners but also improved and innovative services that will improve outcomes for people and communities
• built teams of both existing local public sector staff and Whitehall secondees to deliver the transformation
• identified where to focus their efforts and reached agreement on sharing both risk and savings across all partners
• built commitment and a will to succeed across all partners in their areas based on the principles and mechanisms underpinning place based leadership
• with consensual local leadership, strengthened partnership arrangements and worked collaboratively to provide clear guidance and direction.
PRINCIPLES UNDERPINNING COLLABORATIVE PLACE LEADERSHIP

• Building services around the people and communities: service user experience and outcomes need to be the starting point with local public services jointly accountable to their communities for the delivery of services.

• Removing barriers for better outcomes and reduced costs: integrated working across agencies achieves better outcomes for people and places and is more effective and efficient. Common difficulties such as existing organisational boundaries, workforce and professional regulations and funding arrangements can be dealt with by forming a more collaborative and integrated way of working.

• Involving the business and voluntary sectors as equal partners: both have skills, networks and experiences valuable to the process of service redesign.

• Collaboration: putting together a workable whole place community budget proposal needs a whole public sector approach, joint responsibility and shared leadership.

• Local innovation and co-design with central government departments: engagement of central government as well as local partners to redesign services is just as important as working with local organisations. Involving Whitehall colleagues throughout the planning process makes it much more likely the final business case will gain Departmental support, where it is needed.

• Local delivery and investment mechanisms that reflect the communities they serve: where budgets are devolved to local partners, the new delivery model, savings and investment mechanism should be tailored to local needs and circumstances. No two areas are likely to need exactly the same solution.
• Using what works, developing evidence-based delivery models: real transformation needs to take local partners beyond broad ‘in principle’ agreement on vision and priorities, and use evidence as the basis for new business plans and models of delivery, which can be jointly funded through new investment agreements.

• Evaluating the effectiveness of new service models and using this to drive re-investment of resources so that successful projects can be scaled-up and sustained: there are no ‘quick fixes’ to deep seated complex problems, but tracking financial and social benefits over the medium to long term is vital to securing continued involvement and investment from partners.

• Commitment to share data and information: the delivery of integrated services will only be achieved if local public services agree to allow access to and share data about service users, recognising the need to meet our legal obligations, whilst developing a more systematic and timely approach to the use of data between partners.

• Joint commissioning and performance frameworks: create joint commissioning arrangements and single performance frameworks that span across public sector agencies to avoid silo thinking and cultures.

• Scale is important for significant savings and outcomes: while significant improvement in targeting and outcomes for customers can be achieved locally, delivery at a different scale is required to realise substantial savings to the tax payer.
All four pilot areas faced a common set of early challenges: getting the right people involved, putting in place the governance structures, recruiting a team and agreeing a shared local view on the key issues. This isn’t a linear process and these are just the main factors to be taken into account.

BUILDING COMMITMENT ACROSS ORGANISATIONS

- Get key people on board and active early on
- Discuss with politicians
- Make a plan and get moving quickly
- Provide good quality information
- Communicate, communicate, communicate

Leadership and engagement of chief executives and directors of partner organisations was fundamental to building commitment across organisations. Equally selecting project sponsors from different partner organisations pulls different agencies into the programme and shares responsibility.

"It’s crucial [to understand] that any agency could start this, not just a council."

(Chief Constable, Essex Constabulary)

Partners have found it helpful where local political leaders have been visible participants in their pilots. Their leadership has been valuable in getting buy in and maintaining momentum. But high profile political involvement can also bring challenges and the election of Police and Crime Commissioners introduces an important new dimension not experienced by the pilots. Where a number of organisations are involved, stakeholders need to be mindful of retaining a genuine sense of equal partnership. Three of the four pilots encompassed different local authorities, Essex being the most complex with its county council, twelve districts and two unitary authorities. Often in the pilot areas, elected members were engaged in discussion about the community budget through workshop sessions. These sorts of sessions proved valuable in allowing discussion as opposed to talk and listen, and encouraging active thinking and participation; certainly a better approach than paper reports from officers.
I think it is the sheer number of partners and the spread of partners that has been important. I think the sector feels this time that it is actually being engaged at the very start. I think that is really positive, and because that has happened that way I feel more committed to it.

(Chair of Cheshire Third Sector Assembly)

In West Cheshire, a 30 day mobilisation period was initiated immediately following the announcement of pilots, to brief all partner organisations. A letter was sent to leaders of all partners and a briefing pack was produced, which included a draft presentation for each public service leader to make within their organisation, headline 30 day plan, and an explanation of the public service transformation agenda. The pack was provided to each of the area’s public sector leaders at a personal briefing session, undertaken by a senior programme lead within the partnership. This ensured that all partners received a consistent briefing and were ‘energised’ by the proposal. In parallel wider partners, including MPs were contacted to excite them about the potential opportunity. It was agreed that all public sector leaders would be brand ambassadors and therefore different members of the partnership ‘fronted’ partnership events throughout the programme period.

Building a brand is also important in giving the programme an institutionally neutral identity and profile and in building commitment. West Cheshire used Altogether Better.

The most positive experience for me has been that it’s felt like a joint piece of work from day one. Without that it would’ve been very hard for me to get my senior team, my board and others to believe that this wasn’t just something that I was on the fringes of. That’s been incredibly powerful.

(Head of Probation Trust, West Cheshire)
If we’d formed these proposals in isolation they would never have the traction they do now. We had quite a large steering group – well-chaired – and this was crucial. (Senior Project Officer, Tri-borough)

**DEFINING THE FOCUS**

- Identify priorities
- Map duplication and overlap
- See what you can share / integrate
- Identify issues that are common to all organisations (cross-cutting)

Some pilots started out with a long list of topics they wanted to address, but these were quickly scaled down once it became clear that it would not be possible to make the case for them all in the time available. Rather than trying to re-shape the entirety of public service in an area, they focused on tackling some of their lowest volume but highest demand service users – troubled families, recent offenders or older people at risk of worsening health, for instance.

**Approaches included concentrating on:**

- Identifying those areas where multiple partners were working with the same or similar groups of people and there was clearly duplication and overlap. This approach led partners in the Tri-borough to scale up their ambition towards whole system integration.
- Selecting service themes using such criteria as:
  - does one partner invest but others benefit?
  - are there time lag effects for early intervention to have an impact?
  - scale (and costs) of issues
  - cross-cutting characteristics and complexity, such as assets, data and systems
  - shared strategic priorities
  - reasonable value available from investments.
- Developing new delivery models of integrated, coordinated, evidence-based interventions to help those individuals, families and neighbourhoods with the highest levels of dependency and most expensive interventions. The Whole Essex Community Budget approach was to counter the tacit assumption that current practices and models of provision are the only options available. It opened the door to the development of innovative new solutions, exploring closer integration between public service partners as a means of ensuring they could continue to meet the needs of their people and communities.
• New investment models that enable partners to invest in public service reform, where one partner invests but others benefit, and to overcome the time lags between early intervention and financial impact.

• Robust evaluation of a practical test providing potential investors with the confidence they need that modelled results from cost-benefit analysis will be achieved in practice. Central Government also established a Technical Advisory Group made up of all key delivery departments, the Treasury and pilot areas in order to develop a shared understanding of costings and analyses across the business cases.

• Cross-cutting enablers that would make long lasting systemic change possible – for example:
  - flexible ways of developing and deploying public sector workforces
  - sharing information and intelligence
  - joint and integrated commissioning and decommissioning
  - changing behaviour and organisational culture
  - developing new investment models.

West Cheshire themes reflecting the life-cycle of a resident and cross cutting enablers for public service integration.

- Starting Well
  - Families together
    - Early support

- Living Well
  - Community empowerment & delivery
    - Safer communities

- Working Well
  - Work ready individuals
    - Economic growth

- Ageing Well
  - Ageing well
    - Economic growth

- Smarter services
  - Strategic commissioning & governance
    - Assets

- Customer insight
Our ideas evolved, albeit quite quickly. We had a number of ‘sounding board’ days where lots of partners came together to talk about the key issues facing them under different headings, and that informed what was taken forward.

(Chief Executive, Tendring District Council, Essex)

Think about keeping focussed on a few key really important issues where you can make a difference, and have real clarity about where you want to get to. Don’t risk trying to do everything.

(Chief Executive, Southend Borough Council, Essex)

**SETTING UP A PROGRAMME TEAM**

- One multi-agency team in one place
- Shared systems
- Challenge and support from Whitehall

In a time-limited programme of work that brings together many partners, tight project management is important in helping to keep progress on track. All the pilots established dedicated project teams to lead the work. The teams included secondees from partners across the areas and officials from central government departments including senior civil servants from Whitehall. This was a key test of commitment to this work. It is important for the Whitehall officials to maintain strong links with their parent departments to ensure that parent departments are kept informed of progress and are ready to respond to requests for support from local areas.

In the case of the Essex pilot, the team was resourced by employees seconded from Essex County Fire & Rescue Service, Essex Police, Essex Probation and Essex County Council. The arrival of civil service secondees provided further resource and provided a direct connection to a range of Whitehall departments, while additional secondees from local authorities, the local voluntary and community sector, the NHS and Jobcentre Plus brought additional expertise to bear. The role of these subject matter experts was invaluable in providing alternative perspectives and insights into how learning could be transferred across public agencies.

Co-design must be genuine.
The projects involved organisations from across the localities and national departments.

- Department for Business, Innovation and Skills
- Environment Agency
- HM Treasury
- Probation
- County Councils
- Parish Councils
- District Councils
- Jobcentre Plus
- Universities
- Citizens
- Voluntary and community sector
- Ministry of Justice
- Department for Work and Pensions
- Home Office
- Highways Agency
- Cabinet Office
- Housing Agency
- Police
- Schools
- Colleges
- GPs
- Department for Communities and Local Government
- CCG’s
- Unitary Councils
- Businesses
- Department of Health
- Fire
- NHS
- Department for Transport

Local Teams

National Departments

Local Organisations
The detailed business cases that were developed to make the case for transforming local services drew in a wide resource of public service managers, front-line staff and finance specialists. It was important to initiate an early recruitment process to the programme teams that was aimed to attract people with the appetite and ambition to join an exciting new venture.

Bringing the teams together early for up to two day induction events proved invaluable for building a whole place identity within the teams and starting discussions on the scope, focus and functions of the work.

West Cheshire also found it helpful to use an ‘Insights’ tool (to help understand self and others) to fast track the creation of a single team, given that individuals were coming from very different backgrounds.

The early securing of a single working location, IT system and shared file area helped to create a single team environment, while recognising that the team needed to be accessible to all partners. It was also important to be clear that the team was the partnership’s and not that of any one of the partners, and ensure that different voices represented the team to tangibly demonstrate this. Some pilots talked about the team ‘leaving their badges at the door’. The Tri-borough for example found that weekly team communication was an important element in keeping all partners sighted on and engaged in the development of the programme.

“I think that what clearly helped was the considerable effort that the council made to position their input differently so that it didn’t feel like the council leading. Altogether Better was something different and not of one organisation.”

(Lead partner, Jobcentre Plus, West Cheshire)
ESTABLISHING COLLABORATIVE LEADERSHIP

- Agree clear responsibilities
- Keep all leaders involved and engaged
- Mechanisms for direction and accountability
- Establish strong and empowered delivery groups

The agreed programme themes and activity need clear lines of accountability, with governance being sufficient, but not overly demanding.

In each place the pilots were owned and driven by the chief executives and chief officers of the partners. Public Services Boards of one sort or another, generally including the private and voluntary sectors, were established to coordinate delivery across the workstreams. Importantly these were not seen as ‘talking shops’, but had a clear focus on specific changes. In Greater Manchester there was regular reporting to the Association of Greater Manchester Authorities wider leadership team of chief executives and chief officers, and the combined authority to provide political support and sign-off.

Regular and determined engagement of chief executives and leaders has been a critical success factor.

The Essex programme, which builds on a strong record of partnership working across Greater Essex, is the only one of the four pilots operating within a two tier system of local government. The partnership includes a county council, two unitary authorities and 12 district councils, seven Clinical Commissioning Groups (formerly five primary care trusts), police, fire and rescue, and probation and a Jobcentre Plus district, as well as a range of other delivery organisations.

The delivery of the Essex programme is led by an executive board drawn from across local public, private and voluntary sector bodies, supported by a wider range of local agencies represented on the Whole Essex Community sounding board.
Governance arrangements for the Whole Essex community budget

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<th>Work streams</th>
<th>Health and well being</th>
<th>Economic opportunity</th>
<th>Community safety</th>
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<td>Projects</td>
<td>Integrated commissioning</td>
<td>Skills for growth (and deal for growth)</td>
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<td>Families with complex needs</td>
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<td>Reducing domestic abuse</td>
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Strengthening communities

Programme governance

Executive and sounding boards

Work stream/ project governance

H&W Sponsors meeting
EO Sponsors meeting
CS Sponsors meeting
FCN Sponsors meeting

Thematic partnership boards

Health and well being boards (x3)
Economic opportunity steering board
Safer Essex Partnership
Children trust executive board

Partner governance

Sovereign partner organisations (affected partners signing off project business cases)
In Tri-borough the programme is led by a strategic programme board with a membership of the senior responsible officers, the theme leads and programme team representatives. It is supported by a programme board to manage the core programme issues.

Pilots established operational steering groups led at the chief executive level, and thematic management/strategy groups to drive forward the development of specific themes and projects within the programme. In West Cheshire the thematic management groups were chaired by members of the public service board to ensure a direct line of accountability and a ‘friendly’ legal partnership agreement was created to get members used to a more formal basis of partnership working. Greater Manchester introduced operational groups involving wider audiences of front line staff, policy and finance functions for each theme. Tri-borough had the theme leads sitting on both the strategic programme and the programme board.

In such complex governance structures it’s important to respect the need for independent partners to take their own decisions in accordance with their own governance arrangements. It is also important to note that partners retained control over their own budgets and decision-making throughout. The pilots have however shown that increased collaboration has demonstrated the value of closer working with partners developing new forms of governance to enable such collaboration to become business as usual in addressing ‘whole system’ issues.

I’d say that you need to get cross-party engagement on this, because potentially this is a five, ten or fifteen year project, and councils change. So areas have to involve councillors across the board in that way, and they have to think long term.

(Leader, Cheshire West and Chester Council)

Resources available on www.communitybudgets.org.uk
- Initiation and introduction documents
- Governance models
- Programme and project planning documents including the full maturity matrix and specific theme timelines
Local Public Service Transformation: MAKING A COMMUNITY BUDGET WORK
BUILDING THE EVIDENCE BASE AND NEW DELIVERY MODELS

Overall approach

Stage 1 Define
Stage 2 Assess
Stage 3 Appraise options
Stage 4 Design new delivery model
Stage 5 Financial model
Stage 6 Implementation planning
Stage 7 Test
Stage 8 Evaluate
Stage 9 Negotiate multi-agency investments
Stage 10 Scale up & sustain locally
Stage 11 Spread learning nationally

This diagram shows the ‘maturity matrix’ developed by Greater Manchester and Tri-borough, which shows the staged approach used by the pilots to foster innovation and drive public service reform.

- Stages 1-4: Design new ways to tackle the high level problems.
- Stage 5: Model the estimated costs and benefits of the new delivery model(s) in terms of how they impact on key outcomes, applying the best available local, national and international evidence and compare against existing service impact.
- Stages 6-8: Test practical examples of the new delivery model(s) in defined places to evaluate whether the assumed benefits can be achieved in reality.
- Stage 9: On the basis of robust evaluation evidence, negotiate multi-agency investment from partners on the basis of their return on investment. The ideal is to form investment agreements between partners.
- Stage 10: Reinvest some of the cashable savings into scaling up and early intervention.
- Stage 11: Share the learning and help other areas use the tools and techniques developed. During the pilot programme, the partnerships completed stages 1-5 and are now moving in to the implementation stages.
DEFINING YOUR GROUPS

- Get the right people together
- Agree the key issues to determine your target groups

Early workshops with leaders, service heads and practitioners from across the public sector were vital to identifying the fundamental issues that needed to be addressed and consequently the groups of people involved. For example, in West Cheshire, they had established that there is an issue of an ageing population (18 per cent rise in those over aged 85) and that the current delivery model is unaffordable, so they soon had a group to work with. Equally, a weak skills base and poor economic activity, with evidence that shows 40 per cent children are not school ready, steered them towards work on early years.

“This work has really forced us to think about the hard numbers and the evidence. As a result, partnership for us has gone from being ‘a nice thing to do’ to something with an evidence base behind it – something I can justify putting resources to. Its injected business-like conversations into partnership working and made it something tangible and hard-edged.”

(Borough Commander and Troubled Families Lead, Greater Manchester Police)

UNDERSTANDING THE ‘AS IS’ POSITION

- Find out who’s doing what now
- Get all the right people together early on
- Customer’s eye view

Before any work on developing new ways of working can begin it’s vitally important that all partners have a clear understanding of how services are delivered now and by whom.

This process can be started through partnership development workshops, which the pilots found helpful in identifying which partners were working with the same people on similar issues. It was not uncommon to find that a number of professionals were actually getting together for the first time. These workshops can be augmented by creating small project groups to look in much greater detail at particular groups and issues to understand exactly what is happening currently, what is working well and what less well.
A very early challenge will be getting an understanding of current service structures as a whole; for example asking questions like ‘What exactly are our early years services?’ Greater Manchester’s experience was that getting a picture of that across local government, private, voluntary and independent providers and health bodies was quite a task. This was further complicated by the changes underway in health. Both Greater Manchester and Tri-borough looked at a service from the perspective of a user. So in the early years’ case, Greater Manchester mapped the journey of a parent and child from pregnancy through to reception class. A project team of early years practitioners was drawn together from across sectors to do the mapping and then go back to their own organisations to discuss, thus developing overall understanding over several weeks.

While in Tri-borough, where they identified a disconnect between the provision of education and skills and what growth employers in the central London economy demand, they compared the tracks of school children from secondary to further education and into a job on both the old customer journey and the proposed new one.

Also good was the ability of the Community Budget, using the business case and financial analysis, to describe the ‘Essex challenge’ and show up the overlap in areas of interest between partners e.g. domestic violence, looked after children, areas where we all have a role.

(Chief Executive, NHS North & South Essex)
Customer journey mapping undertaken by the Greater Manchester early years team
How Tri-borough proposals would improve the transition from education to work

Primary school | Secondary school | Further education | Work
---|---|---|---
1. Early identification of potential NEETs, coaching and mentoring
2. Employability programme to improve employment skills
3. Accurate information on the future labour market and best vocational routes to employment
4. Employment passport evidences soft skills
5. Further Education providers incentivised to deliver sustainable job outcomes
6. On-going coaching for the highest risk NEETS and early referral to the work programme

Key drop out points in the current transition from education to employment

- **A** Some young people disengage from school – often linked to disadvantage or vulnerability
- **B** Lack of employment skills and the right information/advice increase the risk of failure to find employment
- **C** Once young people have been not in employment, education or training over six months the risk of them becoming a long term NEET are significantly increased
EVIDENCE

One of the key components that takes the whole place community budget approach beyond traditional partnership cooperation is its use of evidence to make a robust case for new models of service delivery and investment. If organisations are to invest in services together in new ways, they will have to be confident it’s worth doing. The pilots have used cost-benefit analysis and customer insight methods to gather that evidence, so their proposals are built on strong, credible foundations.

HOW MUCH EVIDENCE IS ENOUGH?

- Gather information
- Encourage radical thinking
- Get an outside perspective
- Build trust and share data
- Focus on outcomes for people and communities
- Measure impact

Data on the impact of existing services is often difficult to obtain. Historically services have tended to measure outputs rather than outcomes, often driven by externally imposed targets. Even where outcomes are considered, it’s often only from an organisational perspective (eg health interested in health outcomes) rather than outcomes that address the needs of an individual.

Alongside whatever local evidence you may have, it is worth seeking national and international best practice, and trawling the evidence base for examples of what has been tried and tested from elsewhere. West Cheshire ran a series of radical thinking workshops, inviting stimulating thinkers to challenge the West Cheshire approach based on their knowledge of the evidence base. These events were also designed to expose the partnership to new and different ways of thinking. One note of caution however: it is important to recognise the need to balance the search for evidence and knowledge with the need to come to an informed conclusion. It is too easy for people to get lost in the weight of information and data available.

Related to this is the need to build consensus around an acceptance that you are never going to get a complete picture or cast iron data, but need to make the most of what’s available. Even a broad picture will often quickly identify where current systems are failing. Also build confidence in sharing potentially sensitive data and discussing openly where partners might be under or over-performing. This process needs trust, developed through regular contact between partners and a continual focus on outcomes for customers and communities.

Where outcomes are difficult to measure directly due for example to time or complexity, you might
Services that save from the spending of others have to start reinvesting those savings in the programmes that work.

(Deputy Chief Executive, Manchester City Council)

By designing better ways of working collectively, I believe we can... positively impact on the lives of individuals and families, and meet the challenges we face with reducing budgets.

(Assistant Chief Constable, Cheshire Constabulary)

want to agree a series of alternative measures that could be considered alongside more output-based measures to check that you are achieving the desired results. Consider and agree how you will assess the impact of new delivery models, gather feedback to enable improvement, and add to any relevant evidence bases.

My advice would be if you’re not sure of the evidence, start small and scale up – don’t be paralysed by the thought of not having enough evidence so that you avoid doing anything. You can then keep refining the cost benefit analysis to give it more robustness.

(Data specialist, Greater Manchester)

UNDERSTANDING THE DEAL FLOW

- Map the money flow
- Understand system interconnectivity

One of the fundamental challenges of public service reform is to achieve disinvestment and re-investment across the system rather than continue with investment decisions within individual organisations (silos). The ‘deal flow’ seeks to address this issue by identifying how the different parts of the public sector in a place are funded now, and then designing mechanisms by which money could be moved around the system, for instance from acute towards community based services. The work to date has identified some key questions and potential solutions.

Mapping the financial flows can be undertaken by small specific project groups, but will also need wider support from both finance and service teams. Even this may not be enough and consensus may need to be sought to use national averages or tariffs to illustrate a broad picture and to enable decisions to be taken on where to focus attention.
DESIGNING NEW MODELS

- Establish small project groups
- Share and test ideas with wider groups
- New procurement mechanisms

New delivery and financial models can be developed by small project groups working in tandem with the thematic management or strategy groups mentioned earlier, with the latter providing critical challenge on the models, as they are developed. Additionally, whole partnership workshops can be held to test proposed delivery models and refine them.

Partners in West Cheshire designed new service models based on the following principles:

- Customer centric proposals – clear evidence that people are central to the redesign, and have been engaged and involved in the process.
- Shared strategic priority – ensuring that proposals make a significant contribution to the West Cheshire vision and key strategic ambitions.
- Value of investment – proposals demonstrated value for money in comparison to the cost of business as usual, through improved outcomes or reduction in demand.
- Complexity – a multi-agency issue that has proved difficult to tackle because of the cost of intervening, and the risks of not succeeding.
- Scale – the issue to be addressed places high demand or cost onto a range of public services across the area.
- Prevention – the redesign will reduce future demand on services.
- Reducing conflicting incentives across partners – allowing redesigns to remove barriers to joint investments when the rewards do not fall evenly or proportionately across partners.
- Removal of bureaucracy – the proposal removes unnecessary bureaucracy and processes.
- Leverage community capacity – the proposal takes steps to shift greater power and responsibility to individuals and communities.

Both Essex and Greater Manchester looked at new investment models to enable effective delivery and to support future system change. This requires a social investment infrastructure to be in place, in Essex that will include:

- an investment development project team, local statutory partners, service providers and investment intermediaries to develop and assess business cases and act as the main point of contact for stakeholders developing these propositions
- the development of new procurement mechanisms, financial and legal frameworks to enable the commissioning of multiple services at a reduced cost.

“We have to understand the relationship between government and business, and I think once we have done that we can start to say okay what should the journey look like, and how can public and private sector work together.”

(Chair, Chamber of Commerce, West Cheshire)
West Cheshire partners’ map existing service delivery and design improved future models

**Now**

- Criminal justice interventions
- Worklessness interventions
- Social care interventions
- Housing interventions
- Police interventions
- Mental health interventions
- Drug and alcohol interventions

**Future**

- Police (Case Lead)
- Individual or family
- Mental Health
- Drug and Alcohol
- Social Care
COST-BENEFIT ANALYSIS

• Understand the costs
• Identify the benefits
• Share expertise and learning

Getting a clear picture of all the costs and how to determine the benefits is vitally important. Without good quality data and intelligent understanding of the costs it will never be possible to calculate how or where savings can be made or to have an accurate picture of the benefits.

Cost benefit analysis is an important tool in convincing partnerships collectively and partners individually to commit on the basis of something other than a leap of faith. In West Cheshire, which hadn’t previously used cost benefit analysis in a partnership-wide decision making context, a number of partners were surprised about the scale of potential benefits that would flow to their organisations from the implementation of new delivery models. For example, what the cost benefit analysis said about domestic abuse, as a consequence of better understanding, the Department of Health formally committed to provide a health secondee to the project team to lead on implementation.

Greater Manchester has been developing the cost benefit analysis tool and maintained the unit cost database for the pilots collectively. Analysts from New Economy, a commission set up by Association of Greater Manchester Authorities to drive economic growth and prosperity in the conurbation, worked with other experts such as the Social Research Unit (Dartington) and others to develop a key tool. Unit costings were also developed at the local level and in conjunction with Whitehall Department and the Treasury Green Book guidance. What is exciting is that this has potential to help other areas ensure the decisions they take are based on evidence and understanding of the likely impact of different options.

The cost benefit analysis tool is available on the community budgets website and was adapted and refined by the other pilot areas to suit the complexities of their own projects.

It is important to recognise that by the other pilot areas, is a means to an end, not an end in itself. The importance of by the other pilot areas, needs to be kept in proportion.

"Only when you widen your vision to how we impact on people as a whole system can you start to realise the significant savings."

(Assistant Chief Executive, Greater Manchester Probation Trust)

Resources available on www.communitybudgets.org.uk

- Project scoping tools and documents
- Customer insight tools
- Commissioning tools
- Example deal flow and cost benefit analysis
Costs and benefits for organisations involved in a family intervention project

- Local Authority
- NHS
- DWP (AME)
- Police
- Work Programme ESF Provider
- RSLs
- CJS (excl Police)

- Proactive costs
- Reactive Cost Savings
IMPLEMENTING THE MODEL

- Be clear about who is doing what
- Commit to delivery dates
- Agree shared investment and savings

The West Cheshire partnership has developed a ‘hub and spoke’ model to manage implementation, with the central hub team ensuring that the ‘spokes’ operate to a consistent and high standard of project implementation planning (project initiation documents, risk management etc). The focus has been on identifying very clear year one activities that can be up and running from 1 April 2013. The Public Service Board is monitoring and managing risk through monthly highlight reports. The financial investment required from each organisation has been identified, as has the basis for apportioning this, and all partners are in the process of securing final agreement to these.

EVALUATION AS EVIDENCE

- Measure results
- Use evidence of success to maintain commitment

Cost benefit analysis has been the basis for planning, investment and effort so far. Ongoing evaluation of the impact of plans as they are implemented will determine whether the forecast improvements in outcomes and efficiency have been realised. This will provide the evidence to justify continued/future investment.

West Cheshire believes that live evaluation of the year one experience will provide the necessary evidence to encourage partners to maintain their commitment.

Greater Manchester, recognising the importance of measuring the impact of their initiatives rather than just outputs and processes, commissioned the development of an approach for both universal and targeted interventions that would enable outcomes to be measured. The approach was underpinned by ICT systems to ensure the right data could be captured and shared. In order to demonstrate the impact of this style of approach for both early years services as well as the effect of any additional services, they have agreed in principle to follow multiple groups of people over 25 years. This longitudinal study will test the impact of the new delivery model, ensuring continuous improvement; and allow the updating of financial modelling and assumptions.
A lot of what we’ve been able to achieve through this has been through having credible data for Whitehall. Someone always says ‘show us the evidence’ – and when you have that evidence, it allows different conversations to happen.

(Deputy Chief Executive, Manchester City Council)

This is not a short term plan – partners must commit for the long run if we are to truly deliver public service reform. It isn’t easy – but it’s definitely worth it.

(Chief Executive, Cheshire West and Chester Council, Chair, Public Services Board)

Resources available on www.communitybudgets.org.uk
- Project scoping tools and documents
- Customer insight tools
- Commissioning tools
- Example deal flow and cost benefit analysis
The key is sustainability as these solutions also have to help us live within greatly reduced budgets – ultimately sustainability means less offending and less domestic violence. Apart from obvious and pernicious effect on victims, domestic violence is extremely expensive – health, housing, psychiatric and mental health…

(Chief Constable, Essex Constabulary)

PARTNER INVESTMENT

Consider all your options. Decisions on sharing among partners the burden of upfront investment to enable a whole place approach to be scaled up and become self-sustaining will never be easy. In West Cheshire, once the basic work to identify benefits had been completed, partners calculated the new investment needed and then looked at three options for the apportionment of costs:

- **Option 1:** was calculated by apportioning costs based on the staffing headcount in joint teams. While this approach could be appropriate for splitting costs for joint teams it was noted that it placed disproportionate costs on the council as they would meet the share of any newly commissioned domestic abuse interventions in line with the staffing assumptions while other partners would capture a larger share of benefits.

- **Option 2:** was calculated by apportioning costs based on the modelled gross benefits for safer communities, families together and early support projects. While this approach suggested more balance in relation to return on investment, further work was needed to validate the benefits in 2013/14.

- **Option 3:** was calculated by apportioning implementation and running costs on the basis of staffing headcount in joint teams. Intervention costs were apportioned by net benefits resulting from the domestic abuse project.
SCALING UP

If the scope of the initial projects includes looking at whole client groups, eg the whole benefit register or all troubled families, albeit within specific tranches, a phased approach might be more appropriate than trying to scale up in one go. Therefore, on the assumption of a long term commitment to the entire local public service reform agenda, the key question for a partnership, rather than just to specific community budget initial projects is ‘what are the phase two projects?’

Within Essex, the next step for those organisations that wish to proceed to more closely aligned integration, and whose strategic priority allows, would be a move to single commissioning bodies. These could take the form of commissioning care trusts. The Essex business case explores the range of services that could be included in each of the arrangements and work with partners to agree how they fulfil their statutory responsibilities, funding cycles and mechanisms, and governance and accountability arrangements.

Having shown the potential of this whole place community budget approach the partners in the pilots aim to transform themselves to make it the way they do business as usual. But if these things are to work, new governance models will be needed due to the joint nature of spending accountability. Essex proposes a staged approach to changing the governance arrangements moving to a relatively light touch resourcing of the programme from April 2013, by when the implications for key partners will be better understood and a closer integration of core activity can be expected.

“It’s about saying let’s look at the whole of people’s lives because we’re not going to just do this overnight; we’ve got to take some bite size chunks to get there, but it’s that vision about how things are going to be.”

(Chief Executive, Cheshire & Wirral NHS Partnership)

Experience in Criminal Justice has already demonstrated the increased protection provided when agencies plan joint work. Such a large-scale collaboration as that envisaged in the Whole Essex Community Budget has the potential to deliver much better services across the board, for the right cost.

(Chief Executive, Essex Probation)

Resources available on www.communitybudgets.org.uk
- Example investment agreements
- Proposed new governance models
Proposed transition of programme governance in Essex

Governance Boards
- Executive Board (fortnightly)
- Sounding Board (monthly)

Key responsibilities
- Stakeholder engagement and communication
- Link to DCLG/Whitehall
- Quality and delivery assurance
- Progress review
- Development of operational plan
- Project support
- Admin support and event management

Total resources and costs
- Average total of 11.0 FTE pm
- Average total costs of £105,000 pm

Governance Boards
- Executive Board (monthly)
- Sounding Board (biannual)

Key responsibilities
- Stakeholder engagement and Communication
- Preparation for meetings with Whitehall
- Quality and delivery assurance
- Progress review
- Project support
- Admin support

Total resources and costs
- Average total of 7 FTE pm
- Average total costs of £50,000 pm

Governance Boards
- Executive Board (quarterly - TBC)
- Sounding Board (biannual)

Key responsibilities
- Overall delivery assurance against approved operational plan
- Secretariat to WECB Executive Board
- Reporting to CLT / PLT and Partner Boards
- Communications

Total resources and costs
- Average total of 2.5 FTE pm
- Average total costs of £25,000 pm
The programme governance in Essex to support the next phase
I’m an absolute enthusiast for Community Budgets – the Department of Health will do everything it can to make this a success.

(Norman Lamb MP, Minister of State, Department of Health)
Proposals for transformation

HEALTH AND SOCIAL CARE

THE PROBLEM

Health and social care services are facing major pressures:

- Patients and service users experiencing fragmented care, a lack of control and admissions to hospitals and care homes that could be avoided.
- An ageing population with a growing burden of chronic conditions.
- Unsustainable models of care and in inter-dependence across the system.
- Financial pressures; for example from 2012/13 to 2014/15 the health sector in Tri-borough needs to deliver efficiency savings of £115 million.\(^2\) Over the same period adult social care budgets face reductions of around £38 million.\(^3\) Over the next decade demand for services is expected to rise at around three to four per cent a year.

The pilots were not starting from scratch – health and social care integration is a priority for the health service, local government and other partners. There is a consensus on the need to invest in integrated community based services including primary care. This will involve the reconfiguration of acute services. The pilots work took place against the background of reviews of acute care in London, local integration initiatives and innovative work undertaken in other areas such as Torbay. The Greater Manchester work is focusing on a joint strategy of developing local community based investment and the review of the Greater Manchester acute provision.

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\(^2\) Commissioning Strategy Plan 2012/15, December 2011
\(^3\) Adult Social Care Tri-borough financial modelling
THE SOLUTION

Taking just one example, Tri-borough is:

- **Focusing** on the 20 per cent of the population with the **most serious conditions** that account for 77 per cent of health and social care costs (95 per cent of acute care costs and 87 per cent of social care costs). This group has average annual costs of £24,752 per person compared to £275 for the healthiest and lowest risk groups.

- **Using a pro-active approach to help people manage complex chronic conditions** more effectively and to provide better care of healthier, lower risk patients to prevent admissions to hospital and care homes.

- **Taking a new contracting and reimbursement approach** that **brings together health and social care budgets** and funds on per patient basis rather than tariffs for specific procedures.

- **Introducing an integrated health and social care system**, with dedicated centres focusing on high risk patients to support the most vulnerable people in their own homes and communities in order to avoid hospital and care home admissions.

Recognising the complexity and risk of shifting funding away from acute services, the pilots proposed further joint work with the Department of Health, NHS Commissioning Board and Monitor to consider:

- Actively supporting the development of innovation in contracting and re-imbursement models.

  Arrangements that will facilitate investment in community based services, working with partners, including acute providers, to design service models and manage risk.

- A three year funding cycle for clinical commissioning groups to enable service reconfiguration in integrated care.

- Working with the sector to:
  - embed information sharing arrangements that make the sharing of data the default setting
  - enable work force changes so people can work across organisations in hybrid roles.

THE IMPACT

There is good evidence to suggest that these changes will deliver better quality for people. In Tri-borough it is calculated that the model will deliver £66 million per year of efficiency savings in year five with costs of £28 million enabling net acute savings of £38 million a year. This is primarily driven by a reduction in acute hospital activity, through investment in community and social care services.
Per cent allocation of net benefits across partners if health and social care proposals are implemented

67%  Department of Health
31%  Local Government

Based On National Aggregation Review Conducted By Ernst & Young
Figures may not sum due to rounding
**THE PROBLEM**

Growth is an important priority for all the pilot areas. They identified a strong connection between public service reform and growth. Public service reform delivers better outcomes; for example reducing unemployment and improving skill levels will support growth. Growth will reduce demand for services.

Each of the pilots identified as a particular priority, the fit between local training and local skills needs. The graph opposite sets out the mismatch of skills to local vacancies which illustrates this issue in Essex.

In Essex only 60 people are training for over 8,000 marketing roles in the local economy, whilst 3250 are training for 226 hair and beauty vacancies.

**Hidden talents: skills mismatch analysis skills achievements (all ages) compared to notified or advertised vacancies Greater Essex, 2010/11**

Source: Hidden Talents: Skills Mismatch Analysis, Centre For Economic And Social Inclusion, June 2012
THE SOLUTION

- Local employers determining vocational skills priorities through a new Employment and Skills Board informed by detailed local labour market intelligence developed during the pilot.
- Bringing vocational skills funding streams for 16 to 24 year olds together and devolving responsibility for funding decisions to enable both greater direction by local employers and the use of a new payment by results funding model focused on the job outcomes.
- Creating a simple and coherent vocational pathway from school to work ensuring that young people have the information they need to make sound learning and employment choices including streamlining and simplifying help for young people disengaged from work and learning.
- Creating a better way to track young people throughout their journey from school to sustained employment.

THE IMPACT

The re-design of vocational skills in Essex to fit local labour market requirements through a payment by results funding model aims to create 8,000 additional apprenticeships by 2020, with training better aligned to current and future vacancies in the area.

Per cent allocation of net benefits across partners if work and skills proposals are implemented:

- Department of Work and Pensions: 69%
- Home Office: 14%
- Department of Health: 14%
- Ministry of Justice: 2%
- Department of Education: 1%

Based On National Aggregation Review Conducted By Ernst & Young
TROUBLED FAMILIES

THE PROBLEM

There are a small number of high risk, high cost families who need integrated support from public services to turn their lives around. The current system is characterised by:

- poor outcomes, with high levels of economic inactivity and low educational attainment
- high costs, with multiple overlapping interventions from different organisations, often at the wrong time and place
- complexity and confusion for both families and staff, with disjointed assessment and referral processes
- families falling through the gaps as eligibility criteria act as a barrier to early intervention
- spending on expensive and reactive services when problems become acute, as opposed to earlier, more cost effective intervention
- poor tracking of costs and outcomes as so many agencies are involved with each family
- disincentives to invest as the costs and benefits of prevention are split across different public sector agencies.

The pilots looked at:

- establishing provision for families both inside and outside the Troubled Families Programme criteria
- sustaining investment after the Troubled Families Programme funding ends in 2015, using new investment agreements to manage costs and benefits that split across public services.

THE SOLUTION

Using a whole system approach Greater Manchester is implementing:

- a multi-agency steering group and a multi-agency group responsible for case allocation, performance management and ongoing learning
- a key worker or case management approach to improve integration, coordination, prioritisation and sequencing of support
- the principle of whole family working with the movement of core resources previously dedicated to other functions
- intensive support to those with the most complex needs with specialist workers managing small caseloads; a moderate support package for those with moderate needs provided by a mixture of specialist and generic workers managing larger caseloads and less intensive support provided by more generic family workers for vulnerable families at risk of becoming troubled
- engaging the family itself in developing actions plans and of promoting self-reliance and self-responsibility
- IT solutions to assist with early multi agency identification of families at risk, to track their progress and what interventions work.
The successful implementation is dependent on central government working with local partners to develop a sustainable funding model for troubled family interventions beyond 2015 and:

- **Supporting local partner investment including**
  - guidance that sets out how resources can legitimately be pooled across partners
  - a stronger accountability framework for sharing budgets
  - support to trial shared investment.
- **Developing the social finance market** by providing:
  - brokerage between investors and providers
  - model finance and financial agreements
  - specialist financial and commercial expertise.

These measures could help local partners to build capacity, expertise and importantly confidence in innovative finance mechanisms.

- **Using the Cabinet Office Outcomes Finance Fund** to support work with other groups of families alongside the Troubled Families Programme group, to facilitate national with local investment in complex needs such as domestic violence, mental health and disengaged young people.
- **Drawing together the Work Programme and the troubled families** work much more closely.
- **Going further on data sharing** beyond what is possible through bilateral agreements.

**THE IMPACT**

Greater Manchester’s approach should significantly improve outcomes and life chances for complex families reduce demand for reactive costly interventions across public services and improve the quality of life for the wider community.

They have developed innovative new investment models – based on rigorous cost benefit analysis that enable radical change and allow money to flow freely across organisations.

Work is already underway by partners to re-invest potential savings, translating outcomes into resource allocation. Manchester has agreed heads of terms with partners – Transport for Greater Manchester, Greater Manchester Police, Work Programme prime contractors and Manchester College. If the new delivery models work, partners will invest in sustaining and scaling them up. Other boroughs are exploring investment agreements.

It is estimated that the cost savings across public services in Greater Manchester are £224 million and that £110 million of the £224 million represents cashable savings. The Troubled Families Programme in Greater Manchester will work with a larger number of families than those falling strictly within the definition set out in the Financial Framework for the Troubled Families programme, creating the potential to release further savings.
Per cent allocation of net benefits to partners if troubled families proposals are implemented

- Department of Work and Pensions: 21%
- Local Government: 26%
- Department of Health: 22%
- Ministry of Justice: 9%
- Department of Education: 8%
- Home Office: 13%

Based On National Aggregation Review Conducted By Ernst & Young
Figures may not sum due to rounding
DOMESTIC ABUSE

THE PROBLEM

The pilots have proposals to address the causes and impact of domestic abuse more effectively and reduce the multiple pressures it creates for public services:

• There is a demand for better outcomes for victims, perpetrators and children. In Essex, the pilot identified that 2,500 perpetrators of domestic abuse are brought to trial but only around 100 complete a programme to address their abuse.

• West Cheshire found that in 2011/12 over 9,000 women in West Cheshire are likely to be affected by domestic abuse, however the majority do not touch the criminal justice system with just 1,160 reporting incidents to the police.

• One in five murders in Essex are preceded by domestic abuse.

• In Essex, they found over 1,000 locations, 116 phone numbers and over 80 agencies offering services to the victims of domestic abuse.

• Domestic abuse costs public services in West Cheshire £20 million a year. 98 per cent of the cost is in reactive services.

• In Essex, domestic abuse costs of £48 million a year with policing costs of £16 million.

THE SOLUTION

In West Cheshire, a new approach based on stronger partnership working will focus on:

• an access team to provide support earlier

• a coordinated, consistent and evidence based common assessment

• a menu of interventions for perpetrators including electronic monitoring, alcohol monitoring, perpetrator programmes and addressing substance abuse

• local commissioning teams to ensure the right interventions are available

• wider use of integrated offender management

• testing shared budgets and investment based on a clear map of costs and benefits across local public sector organisations

• all agencies signed up to a common set of outcomes and measurable objectives

• a data and intelligence hub to ensure accurate management information and the accurate measurement of impact.
THE IMPACT

West Cheshire estimates it can save of £7.6 million over five years.

Per cent allocation of net benefits across partners in West Cheshire and Essex if domestic abuse proposals are implemented

Based On National Aggregation Review Conducted By Ernst & Young
Figures may not sum due to rounding
REDDING RE-OFFENDING

THE PROBLEM
Nationally reoffending has fallen by 1.5 per cent but increased in some areas.
In the London Tri-borough area reoffending by all adult offenders has increased from 23 per cent to 27 per cent despite investment of £6 million a year of discretionary grants in nine separate reoffending programmes.

THE SOLUTION
Tri-borough is proposing a local reoffending service for short sentenced prisoners (less than 12 months) returning to the borough including:
- Implementing a Tri-borough adult reoffending service which will replace all local authority grant funded services targeted at reoffending and will:
  - allocate resources to short sentenced prisoners based on their individual needs, risk of reoffending and motivation to change behaviour
  - work with short sentenced prisoners in custody and the community to ensure effective resettlement and rehabilitation
  - extend a personalised approach to working with short sentenced prisoners by ensuring that both the personal and the practical needs of offenders are met
  - ensure the critical deliverables and outcomes from the previous Drug Intervention Programmes are assimilated into the combined new service model, including continued and expanded drug testing
- decommission Drug Intervention Project (DIP) in its current form
- establish a clear role for the three boroughs community safety partnerships in supporting the new service in terms of governance, commissioning and delivery.
- Releasing resources from current spend on reoffending programmes to support the wider Tri-borough priorities from a public health and criminal justice perspective.
- Replacing all local authority grant funded services targeted at reoffending.
- Shifting the current discretionary spend (predominantly Public Health and Police and Crime Commissioner funding for the DIP) on adult reoffending from services predominantly focused on those receiving sentences of over 12 months
in custody and those assessed through the DIP, to those receiving 12 months or less who actually have a higher likelihood to re-offend.

- Establishing a service consisting of a custody referral element engaging all offenders at the earliest opportunity to identify and provide help for a wider range of health related issues including all drug misuse, alcohol misuse, mental health and learning disabilities.

- A reducing offending team focusing on assessment and action planning for short sentenced offenders.

- Targeted interventions which are tailored to the offender.

**THE IMPACT**

Tri-borough is aiming to reduce the re-offending of short sentenced prisoners by 10 per cent. The new service will cost £11.2 million over a five year period from 2013/14. Reducing the reoffending of short sentenced prisoners is expected to reduce local spending on tackling reoffending by £1.2 to £6.1 million over five years.

**Per cent allocation of net benefits across partners if Tri-borough proposals to reduce reoffending are implemented**

Based On National Aggregation Review Conducted By Ernst & Young
THE PROBLEM

Greater Manchester identified a problem with the number of young children who were not ready for school at age four and five years old. While in West Cheshire a need to develop a more joined-up and evidence-based approach to support and prevention was identified in order to reduce “failure demand” at the highest level of need.
THE SOLUTION
In Greater Manchester the pilot focused on pre-birth to five year olds to increase the proportion of children who are ‘school ready’ by the end of their reception year. The pilot aims to identify risks to children’s development early and provide tried and tested support.

The core elements of the proposal are:
• a cross public service commitment to an integrated whole child and whole family approach
• improved universal, preventative services aiming for 100 per cent coverage of the 40,000 children born in GM each year
• where risks are identified, families to be given proven packages of help
• a new parental contract to enable parents eligible for targeted two-year old day care to be on track towards sustainable employment and ‘good enough’ parenting
• common terms and conditions for childcare workers to improve the quality, affordability and accessibility of childcare across the conurbation.

THE IMPACT
£215 million of fiscal benefits over a 25 year period from additional costs of £38 million. An investment agreement is being developed that reflects where benefits for both local and national partners are likely to fall and whether they fall in the short, medium or long-term.

Greater Manchester’s new delivery model

Children ready to learn

<table>
<thead>
<tr>
<th>Improved family health and wellbeing</th>
<th>Improved economic wellbeing</th>
<th>Improved parenting, aspirations, skills and self-esteem</th>
</tr>
</thead>
</table>

Services which engage successfully and meet families’ needs
ASSETS

THE PROBLEM

Public sector partners across West Cheshire own in excess of 1,500 assets ranging from car parks to playgrounds, offices, and hospitals. The annual cost of running and maintaining them is over £40 million. They have worked together to identify assets similar in nature and use, showing that 60 buildings of generic office accommodation, for example, cost partners in the region of £12.4 million annually.

THE SOLUTION

Significant savings can be made through co-location, which will not only reduce overall costs and improve efficiency, but will also enable residents to access more services in one place, providing an improved service to local communities. This will be achieved through:

- **joint asset management**: managing assets across organisations through a Partnerships Estates Group to make optimum use of assets across West Cheshire
- **memorandum of understanding**: this will help by setting out ways to share information and outlining common principles for partnership working
- **consolidation of common asset types**: in the first instance, the potential for rationalisation of the office estate is being used as a case to discover the potential level of savings that could be generated; other asset types will be addressed as the partnership matures.

THE IMPACT

Better customer services through improved accessibility, combinations of compatible functions and much better utilisation of property portfolios. This will result in a reduction in size and cost. It is estimated that over a five year period over £4 million can be saved with annual reduction in running costs of £1.7 million by 2017 against a cost of £1.1 million to facilitate the moves including potential building alterations, ICT infrastructure and staff relocation.
A graph to show the number of publicly owned assets in West Cheshire by type

- Adult Social Care (including community support centres)
- Children’s and Family Centres
- Civic
- Community/Youth Centres (excluding community support centres)
- Depots
- Education (not schools)
- Fire Stations
- Health (not specialised)
- Leisure
- Libraries
- Offices
- Police
West Cheshire’s new framework for partnership working within assets:

<table>
<thead>
<tr>
<th>Co-existence</th>
<th>Co-operation</th>
<th>Co-ordination</th>
<th>Collaboration</th>
<th>Co-ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighbouring authorities working in parallel without impacting respective strategic decision making</td>
<td>Authorities willing to share information and knowledge but decision making only considers own agency requirements</td>
<td>Proactive alignment of requirements for specific initiatives to avoid duplication and ineffective decision making</td>
<td>Consideration of wider strategic requirements and willingness to make decisions at a pan-public sector level</td>
<td>Collaboration extends to pooling budgets and shared equity in pan-public sector initiatives which may be within a different legal entity (e.g. Joint ventures)</td>
</tr>
</tbody>
</table>

- **CW&C Office rationalisations**
- **Skills sharing**
- **Data sharing**
- **Sub-letting arrangements**
- **Area management plan**
- **Management company**
- **Fire & Police at Frodsham**
- **Cheshire Shared Services**
- **Services company**
- **Norwich collocation**
- **Cheshire Community Homes**
- **Joint ventures**
- **Delamere St, Chester**
- **Property company**
I welcome the general approach from the four pilot areas who have looked at areas of importance to Department of Work and Pensions which will help to support the social justice agenda, including improving the employment and skills linkages; tackling troubled families and tackling those not in employment, education or training.

(Mark Hoban MP, Minister for Employment)
With the end of the whole place community budget pilot programme and as the pilot areas start implementation, the challenge is how to sustain the progress made, while using the lessons learnt so far to enable new areas to implement the whole place approach elsewhere in the country.

The work undertaken by Ernst & Young on behalf of the Local Government Association has shown the very real rewards to be had from taking forward a whole place approach to public service delivery. With only 20 per cent of the total net benefits accruing to councils, there are significant benefits for all partners on top of the prospects of better and more coherent services for our communities.

None of the tools or principles are revolutionary, but when used together with a clear commitment and focus on delivering tangible outcomes, they can deliver real change. The experience of the whole place community budget pilots has shown that new and better ways to provide services are possible and that they can achieve the dual aims of saving money and improving outcomes for people.

The environment is right for places to have a radical re-examination of whether services could be better configured locally. Other places face similar challenges to those already addressed by the pilots. Some are already adopting very similar approaches. The opportunity is there for wide-scale re-wiring of public services around people and places.

There is a commitment from national organisations and the Government to help and support places that want to take this approach. Government is contributing funding for a ‘Network for Public Service Transformation’. It will consist of a virtual team, from across central Government and local service providers, to support new areas to develop innovative approaches to services and support the pilots with issues that emerge during implementation.

The pilots have shown what is possible and it is clear that the prize is significant and a compelling incentive to encourage others to follow suit. All local places should feel encouraged to adopt this approach to public service transformation.

See www.communitybudgets.org.uk for further advice and support.