

To: Customer & Communities Policy Overview & Scrutiny Committee

By: Mike Hill, Cabinet Member, Customer & Communities
Amanda Honey, Corporate Director, Customer & Communities

Date: 21 March 2012

Subject: **Community Budgets – Gaining Traction**

Classification: Unrestricted

Summary : This paper provides an update about the development of Community Budgets and describes the strategic direction agreed with partners in November 2011.

1.0 INTRODUCTION

In April 2011 the Government launched the Community Budgets initiative aimed at turning around the lives of 120,000 families with multiple problems costing the state an estimated £9 billion per year. The Government's ambitions are to :

- improve outcomes for families with multiple problems
- pool budgets
- redesign and integrate frontline services
- reduce costs to enable re-investment of savings back into services

2.0 THE KENT PILOT

As one of 16 'first phase' areas in the UK, Kent proposed a pilot programme working in Swale and Thanet during 2011. A second phase will be implemented in 2012 and this will be rolled out in all districts by 2013. The programme will take into account what is already happening in Maidstone, Tunbridge Wells and Tonbridge & Malling.

2.1 Swale and Thanet

Activity in Swale and Thanet is being carried out by Family Intervention Project workers (FIP's) under guidance from Interface Associates, the Government's advisors who are helping to steer Kent's programme.

Following the Government's preferred model, the FIP's work intensively with families with multiple problems helping them to stabilise their often chaotic lives, signposting support and proactively helping them to find answers for themselves.

2.2 Early Indications of Progress & Cost Avoidance

Early indications from Swale and Thanet are positive :

- Partner agencies have demonstrated a common will to work together when dealing with families with multiple problems
- Agencies have successfully formed 'project teams' and are working together on identifying families suitable for the programme and delivering support for them
- Key departments (Job Centre Plus, Department of Work & Pensions) are fully engaged with the programme and are offering outreach support

Unlike some pilot authorities, Kent did not have an existing FIP provision to call upon and so considerable effort was needed locally to identify and secure resources for the FIP workers. This has been achieved and although the programme has been working with fewer families than was originally envisaged it is anticipated there will be similar results to those listed below.

The Department for Education suggests the average cost avoidance potential for families completing the intervention is £62,000 - £75,000 and it has cited the following statistics regarding potential success after their evaluation of existing schemes elsewhere in the UK up to March 2011 :

- 53% reduction in truancy, exclusion or poor behaviour in school (from 58% of families with the issue at the start of the intervention to 28% of families with the issue at exit)
- 58% reduction in anti-social behaviour (from 81% to 34%)
- 34% reduction in child protection issues (from 27% to 18%)
- 57% reduction in domestic violence issues (from 28% to 12%)
- 23% reduction in mental health problems (from 36% to 28%)
- 40% reduction in drug problems (from 32% to 20%)
- 48% reduction in alcohol problems (from 29% to 15%)
- 41% reduction in crime (from 35% to 20%)
- 14% reduction where no parent was in employment or training (from 68% to 58%)

It should be noted that 'softer' outcomes will also come from working intensively with families with multiple problems and these can be seen as successes :

- increased sense of community cohesion for residents
- increased perception of personal safety and reduced 'nuisance'
- visible 'joined-up' action by KCC, districts and local agencies

Work has been carried out with partners from agencies to develop a costing tool which will provide a way to identify cost avoidance/savings achieved by the programme in a way which is transparent and real.

In addition, the Social Innovation Laboratory for Kent (SILK) has run workshops in Canterbury, Tunbridge Wells, Swale and Thanet to engage front line service providers and families so they understand how they can work together to find solutions.

The table below shows progress to date in delivering the overall Community Budgets programme for families with multiple problems in Kent.

District	Key Theme	Stage	Comments
Swale	Substance Misuse / Offending	Phase 1	1 FIP worker (plus one undertaking induction) – currently working with 4 families with potential to work with 12 families by end Jan/early Feb 2012
Thanet	Worklessness	Phase 1	4 FIP workers - working with 15 families – target to work with 20 families by early Feb 2012.

Shepway	Worklessness	Phase 2 Dec 2011	Working Families Everywhere pilot Successful bid for funding from DfE – 4 ‘Family Champions’ appointed in November – targeting 40 families 2011/12
Canterbury	Domestic Violence	Phase 2 Jan 2012	Co-located cross agency team in place from end Jan 2012 with 1 FIP worker linked to ‘Rising Sun’ managed by FSC
Gravesham	New Communities	Phase 2 Jan 2012	Under development.
Maidstone	Worklessness	Quasi- control	Links to Tomorrow’s People pilot in Parkwood
Tunbridge Wells	Focussing on problem families district e.g. Sherwood estate.	Quasi- control	‘Families in Focus’ - not mainstream Community Budgets project but aligned in values. Linked to Working Families Everywhere pilot alongside Shepway. Neighbourhood pilot for Govt.
Ton & Mall	Focussing on problem families within 2 wards.	Quasi- control	Not mainstream Community Budgets project but aligned in values.

3.0 MOVING FORWARD

3.1 Nationally

The Government is keen to gain traction for the Community Budgets concept and their aim of working with 120,000 families by 2015. The Department for Communities & Local Government has formed a new ‘Troubled Families’ unit led by Louise Casey which is responsible for spearheading action for families with multiple problems and David Cameron has announced a funding package to stimulate action around troubled families.

The Government is asking local authorities to provide family intervention workers (or similar) for known families with multiple problems in their area. It has promised to fund 40% of costs retrospectively on a payment by results basis where the local authority can demonstrate interventions are working and reducing the demand on society for the families identified.

The Government estimates there are 2,560 ‘troubled families’ in Kent and the potential financial commitment to work intensively with them is an estimated £2.1m per annum of which £840k could be claimed back on a payment by results basis.

Local authorities have been asked to undertake the following tasks by April 2012 :

- analyse and convert the indicative estimated number of troubled families in Kent (2,560) into verified figures of 'real' troubled families
- estimate how many of these families will achieve the success criteria within existing or planned provision by 2015
- develop service redesign plans to expand provision and meet the needs of the remaining group of 'troubled families' in Kent
- prepare the business case to underpin local resource commitments from KCC's own budgets and those of local partners
- plan the outcome tracking arrangements necessary to focus services on the success criteria and demonstrate success.

The Department for Communities & Local Government has recognised the financial pressure associated with organising, energising and co-ordinating work in this area and has offered £20k to each upper tier authority for the remainder of this financial year and £200k per annum for the following three years to help. The newly formed Strategic Community Budgets Steering Group will lead on this development.

3.2 Locally

Bold Steps for Kent

Bold Steps outlines three key ambitions :

- To grow the economy
Kent to be 'open for business' with a growing, successful economy and jobs for all
- To tackle disadvantage
Kent to be a county of opportunity, where aspiration rather than dependency is supported and quality of life is high for everyone
- To put citizens in control
For power and influence to be in the hands of local people so they are able to take responsibility for themselves, their families and their communities

The Community Budgets concept can play a fundamental role in the delivering these ambitions by driving local transformation and co-commissioning solutions to long-standing issues, such as worklessness, poverty, health, multiple disadvantage, etc and by driving cost efficiency across the public sector.

- Priority 16
Support families with complex needs and increase the use of community budgets - Community Budgets can play a key role by jointly redesigning our local delivery with partners, creating the tools with which we can drive performance and minimise siloed approaches to our customers.

Locality Boards will provide the focal point for Community Budgets in each district and Kent County Council must reflect, along with its partners, on the potential to transform local service delivery through a 'community budgets' approach. The opportunity of focussing on community health could produce substantial savings across Kent.

Total Place and Asset Collaboration will be looked at again as previous assessments identified the opportunity to achieve £20m revenue savings and capital receipt in excess of £100m over a 10-year period through service transformation.

Margate Task Force is an excellent example of agencies working together to deal with issues of multiple deprivation in two of the most challenging wards in Kent. Much has been achieved including the co-location of agencies working effectively together in targeting and planning actions. Alignment with the Community Budgets initiative is strong with the Task Force's project manager also leading the Community Budgets pilot for Thanet.

Kent Employment Programme aims to identify pathways which lead to sustained jobs for young people. The Community Budgets programme will be able to support this work using the local knowledge and contacts embedded in each Locality Board.

4.0 ADDRESSING THE CHALLENGES

4.1 Challenges

Partners will face a number of key challenges as the Community Budgets programme moves forward including :

- Funding/resourcing to enable the programme
- Pooling of budgets
- Multiple and competing initiatives
- Information sharing and professional boundaries
- Benefit realisation

Please refer to Appendix B where these challenges have been expanded.

4.2 The 'Lock-In' discussion

Held recently, this gave key partners the opportunity to discuss aims and aspirations for the programme. Attended by KCC Members and senior representatives from public sector organisations throughout Kent, the lock-in looked at the progress of the Community Budgets programme and suggested key actions which would address the challenges to be faced. The following was agreed :

- Creation of strategic steering board
Agreed to set up a cross-agency steering group as soon as possible which will consider the progress of the initiative and deal with emerging issues and challenges.
- Governance arrangements
Community Budgets will be part of the Locality Boards' remit but as they are under development it may be necessary to consider interim governance arrangements and short-term alternatives. The Strategic Steering Board will look at this.
- Locality Boards will be involved in establishing priorities and local work streams
As above.
- Financial modelling to be undertaken developing on the work from phase 1 - police offered analytical support
Due to difficulties in unambiguously stating costs and potential cashable and non-cashable savings from the Community Budgets programme, it was agreed a focus was needed, with Police assistance, to ensure all partners agree on potential benefit realisation.

- Infrastructure, systems and governance structure for collecting and sharing data – financial and personal
 A range of issues fall into the general heading ‘data sharing and systems’ which provides challenges across all Community Budgets pilots. It was agreed the Strategic Steering Board would look at how these can be dealt with and strengthen links to the Kent & Medway Information Sharing Protocol – see http://www.kenttrustweb.org.uk/Policy/ig_home.cfm
- Develop a structure to identify and target families
 It was agreed to work on defining characteristics and agreeing these amongst partners as identifying the characteristics and number of families with whom the programme should engage across districts underpins the scale and scope of the Community Budgets programme. The diagram at Appendix C was developed by Bradford and illustrates the spectrum of need.
- Service redesign / transformation of existing ways of working at the centre of the Community Budgets model
 By focusing on the development of the FIP process in Swale and Thanet there has been limited focus on a key element of the Community Budgets proposal, ie: transformation of service, minimisation of duplication and redesigning a collective approach to deal with troubled families. The lock-in meeting agreed this must be a priority.
- Review potential for co-commissioning
 One of the challenges faced by the programme is ‘pooling budgets’ – indeed there is little evidence of this across the majority of first phase pilots. It was suggested that co-commissioning may be an alternative way forward.
- Investigate options for a PSA / Social Impact Bond approach
 The need for ‘benefits realisation’ was discussed. There are a number of available models that could provide a template for partners to come together in a co-commissioning arrangement. These include the development of ‘PSA’ style arrangements where outcomes achieved deliver appropriate cashable rewards, the implementation of a Social Impact Bond or Payment by Results model. The Steering Board will commission further work to consider these options.
- Focus on 18 – 24 worklessness agenda
 It was agreed the Community Budgets programme should look at the strengthening the growing link between the opportunities it presents and 19 – 24 worklessness by producing a model which helps to tackle the issues of youth unemployment.

5.0 What does success look like?

The newly formed Steering Board will be charged with taking Community Budgets forward and making sure partners work together towards joint ambitions. It is useful to look at what success might look like to keep everyone focused on the journey and the bullet points below illustrate a potential vision of success :

- A real difference has been made for a significant number of families with multiple problems across Kent, with measurable benefit in terms of outcomes both present and future. Agencies will have witnessed a shift in the number of complex families being dealt with through high cost and specialist services as

they are either stepped down to lower service tiers or escalation is prevented by appropriate earlier interventions.

- All agencies providing services for families with multiple/complex problems are doing so in a cohesive and agreed fashion, with funding streams and initiatives aligned to the locally defined priorities for these families.
- There is a reduction in the number of children requiring child protection plans as a result of earlier intervention with families containing Children in Need. The Community Budgets approach to family intervention has contributed to reducing the number of referrals made to Social Services
- A significant shift in benefit dependency of the families involved has been achieved and national agencies (e.g. DWP, HMRC) are more visible at a local level, influencing and shaping policy and operational delivery. The Work Programme and ESF provisions are fully integrated with local priorities and seen within the Community Budget profile.
- The 'Community Budget' approach has been mainstreamed towards the delivery of a wider range of services locally, targeting key policy areas such as youth unemployment, teenage pregnancy, health & wellbeing etc.
- Front line workers from agencies are co-located in local accommodation (e.g. childrens centres, district offices) and working in full co-operation with each other, routinely sharing key information regarding the families involved and understanding the need to jointly discuss the necessary actions to support families.
- Areas of process duplication and overlap have been eradicated, with all agencies utilising common and agreed systems (IT and other) where-ever possible facilitating joint savings. There is an established common referral and assessment process for all families with problems building on the 'Family CAF' model - 'Tell Us Once'.
- Locality Boards are fully developed and empowered to make decisions regarding local priorities and have developed into commissioning bodies utilising core data sets and intelligence drawn from across the partnership to inform local action. They are playing a key governance/commissioning role in the delivery of Community Budgets in their areas.
- Task and finish sub-groups or 'focus panels' have been formed beneath Locality Boards targeting cohesive action around policy priorities such as Youth Unemployment, driving forwards local action across all stakeholder groups.
- Savings will have been realised across all public services and funding is being used more efficiently.

6.0 Timeframe for Action

Jan – Mar 2012	<ul style="list-style-type: none"> ▪ Community Budgets Steering Group formed & programme plan established
	<ul style="list-style-type: none"> ▪ Governance arrangements defined - Locality Boards widely established and working
	<ul style="list-style-type: none"> ▪ Numbers of families engaged in Thanet & Swale increased
	<ul style="list-style-type: none"> ▪ Phase 2 districts operational (Shepway – worklessness, Canterbury – DV, Gravesham – New Communities)
	<ul style="list-style-type: none"> ▪ Alignment of progress in Maidstone, Tunbridge Wells and Tonbridge & Malling
	<ul style="list-style-type: none"> ▪ Identification of ‘troubled families’ widened to all Kent districts
	<ul style="list-style-type: none"> ▪ Alignments and synergies explored between initiatives (ESF, Troubled Families, Working Families Everywhere/Tomorrows People, DWP Outreach, IOM, Community Safety etc) and cohesive strategy for contact with families formed
	<ul style="list-style-type: none"> ▪ Investigation/evaluation of Payment by Results, Social Impact Bonds et al
	<ul style="list-style-type: none"> ▪ Scoping of PSA style approach including funding and targets etc
	<ul style="list-style-type: none"> ▪ Development of detailed business case outlining expenditure on Troubled Families and quantifying action required amongst partners
<ul style="list-style-type: none"> ▪ Future Service Options reviews ongoing – full alignment with Community Budgets 	
Apr 2012 – Sep 2012	<ul style="list-style-type: none"> ▪ Commissioning arrangements for FIP workers (or similar) go live - number of intensive family interventions increased towards Govt target of 2560 families over three years – work with FSC children services to define commissioning programme to support ‘troubled families’ agenda
	<ul style="list-style-type: none"> ▪ Localities Boards exploring potential for joint actions around local priorities – ‘troubled families’ and community budget models
	<ul style="list-style-type: none"> ▪ Further development and agreement of PSA style proposals (targets/methods/governance models)
	<ul style="list-style-type: none"> ▪ Future Service Options / Make-Buy-Sell reviews moving forwards towards implementation – alignment with Community Budgets agreed
Sep 2012 – Mar 2013	<ul style="list-style-type: none"> ▪ PSA method agreed and targets set
	<ul style="list-style-type: none"> ▪ Methods of monitoring and evaluation of success agreed
Apr 2013 - ongoing	<ul style="list-style-type: none"> ▪ Local delivery partnerships formed and co-commissioned interventions begin ▪ Locality Boards delivering results in line with ‘PSA’ - demonstrable success fed into CSR

7.0 Conclusion

Kent's involvement in piloting Community Budgets has been extremely beneficial in terms of exploring the concept, learning the way forward and facilitating close discussion between partners, driving closer co-operation in the two pilot districts of Swale and Thanet and further driving cohesive partnership action into the Phase 2 Districts of Shepway, Canterbury and Gravesham, including a successful bid for DfE funding linked to the Working Families Everywhere programme

The number of families involved in the pilot phase of Community Budgets has been small, but has provided a valuable testing ground for the concepts and models. The challenge now is to move forwards quickly and cohesively in line with Governments new funding offer to tackle both needs of troubled families and some of the wider issues facing partners in jointly delivering support to localities.

The Community Budgets Steering Group will utilise the partnerships experience to drive forward a programme of transformational change which can reduce duplication and siloed approaches, provide significant savings to the public purse and ensure a cohesive and sustainable transformation to local delivery.

Contact Officer : David Weiss
Head of Business Transformation and Programmes
Contact Number : 01622 694898
Email Address : david.weiss@kent.gov.uk

Appendix A : Example Families

District	Agencies Involved	Description	Cost of Family (for two months prior to intervention) excl benefits - based on feedback from agencies	Progress since FIP intervention
Swale	KCA Police YOS Spec Mental Health Vol Sector Housing GP	Two parents and four children; Mother with mental health issues and drug user; Frequent domestic abuse between family members; Oldest son drug user and persistent offender; One of younger sons engaged with Youth Offending service. Family exists on benefits and has debt issues.	£ 4,380	Relationships built with family Younger sons have engaged in college courses in life skills and literacy Mother engaged by specialist mental health service Eldest son abstaining from drugs Family working with debt counsellor Domestic abuse has significantly reduced with only occasional Police involvement
Thanet	Police FSC SCS KCA YISP GP	Mother and five children; Spoken English limited; poor parenting skills; poor control over children; overcrowded accommodation; one child subject to SCS Child Protection Plan with Police input – heroin user and history of prostitution; one child with causing persistent disruption in classes; another child at primary school with a number of exclusions due to aggression and antisocial behaviour; Two other children on reading recovery programmes.	£1,855	Awareness of childrens needs raised and action being followed to address learning issues curriculum support First child remains open to SCS as Child Protection concern Family moved to alternate accommodation however still insufficient

Appendix B : Community Budgets - Challenges

Funding/Resources

- a. The Community Budgets programme, despite early promises from Government, is not centrally funded and the resources required to develop and deliver the approach are not readily available.
- b. The favoured model of working with complex families as described by Government relies on the introduction of an intensive 'key worker' role (Family Intervention Project worker or similar). Kent does not have a readily available pool of such workers. The Community Budgets pilots have therefore to date had to temporarily 'borrow' resources from various partners in order to fulfil this role. The intensity of the role requires that each worker only carries a small caseload of six families per worker and this restricts the numbers of families we are able to work with in each pilot and represents a significant risk to the sustainability of the programme

Pooling of Budgets / Resources

- a. As the Community Budgets pilots have progressed it has become increasingly apparent that the appetite for pooling budgets amongst agencies including central government is weak. This could be allied to a number of factors such as the economic challenges facing all colleagues, perceived diminution of sovereignty, lack of engagement with the Community Budgets concept, differing political/professional priorities etc. (this appears to be a common feature of all 16 pilot projects). There is however significant agreement to the pooling/aligning of staffing resources and programmes of work around families.
- b. The desired vision of a 'single pot' of money through which Locality Boards can commission services for families with multiple complex needs will require a significant movement from the current position if it is to become reality.

Multiple / Competing Initiatives

- a. At the heart of the Community Budgets approach is the requirement to cease funding of multiple and competing initiatives aimed at similar outcomes. However this behaviour will not disappear overnight and there are a number of initiatives already in train which will need to align to the local programme. For example in those areas where worklessness is a key theme there will need to be significant discussion and alignment of the JCP Work Programme through Avanta and G4S and the upcoming ESF funded provision to the Community Budgets programme to ensure that support provided to families is consistent and co-ordinated.
- b. There are also many other initiatives generated through many differing partners in regard to the families involved in the programme. The challenge is to find a way to mesh these together in a sensible way so that working at crossed-purposes is avoided and benefit is maximised alongside the programme. This may involve cessation of some activity, which could obviously provide some challenges to the sponsoring agencies.

Information Sharing and Professional Boundaries

The need for partners to share information regarding the families with whom the programme is working is paramount to success; however there are often significant variations in the willingness to share information. This is recognised as a significant barrier across all pilot authorities and is a fundamental cornerstone to the success of the initiative.

Appendix C

