

Policy Platform

HELPING PROBLEM FAMILIES: How Community Budgets can help to transform lives

Introduction

Tom Simpson, Localis



A pivotal aspect of a shift to genuine localism, or 'Total Place Lite'? The contributions to this Policy Platform by Peter Martin, Leader of Essex County Council, and Chris Williamson, Shadow Parliamentary Under-Secretary of State for Communities and Local Government, outline both views on the Coalition Government's 'Community Budget' policy, announced as part of the Comprehensive Spending Review last October.

A pilot scheme, operating in 16 areas which together cover 28 councils, is intended to precede the nationwide roll-out of Community Budgets by 2013-14. The scheme is premised on the twin bases of improved outcomes and lower costs – in other words, it seeks to achieve the local government holy grail of 'more for less'. Focusing on 'families with complex needs', Community Budgets are intended to give local authorities the flexibility to break the cycle of dependency and deprivation that afflict relatively few families but have ongoing social repercussions for family members and wider communities.

There is little doubt that the sheer bulk of funding alone is insufficient to help many such families. The Government estimates that some £8bn is spent annually on 120,000 families with multiple problems. Even more concerning than this enormous expense – equivalent to over £400 per family in Britain – is the fact that the spending will only lift a few families to a position of relative self-sufficiency. In short, the current system of supporting these families is an operating expense, remaining constant year-on-year, rather than a one-off expenditure. Not a single stakeholder's needs are fulfilled: taxpayers are funding an ineffectual system that is largely failing to remove

ongoing deprivation and its attendant problems of health concerns, long-term unemployment, crime and lack of social cohesion; public sector employees must devote a disproportionate amount of time and effort to a relative few; and, most importantly, families with complex needs continue to feel disengaged from mainstream society and unable to improve their situation.

People from across the political spectrum would broadly agree the diagnosis above. There is also a considerable amount of agreement on what the best remedy is. One of the key shortcomings of the current system to help families with seemingly intractable, long-term difficulties is that there is no system in any meaningful sense. Rather, numerous different schemes have been innovated by various government departments to address these families' problems. The result has been often been the creation of confusion and duplication rather than the provision of necessary, robust and long-term assistance. Given that 'complex issues', by definition, are not contained within the brief of individual government departments, there is an indisputable need to develop a much more 'joined-up' approach to addressing these complex issues.

The primary source of inertia that has prevented such a solution so far is the intransigence of many Whitehall departments, which have jealously guarded their own budgets and responsibilities and, all too often, steadfastly refused to engage with cross-departmental cooperation on a meaningful scale. Community Budgets have managed to secure such cooperation from a number of departments, and, as Peter Martin reminds us in his article, ongoing support from "across Whitehall" will be necessary for the scheme to realise its full potential. However, Chris Williamson points to those departments which are either not involved or only partially involved in Community Budgets – including the Departments of Health and Justice – and claims that their absence serves to "effectively neuter" the whole scheme.

This is just one element of the broader debate at the heart of Community Budgets on whether the scheme goes far enough. Questions have also been raised over whether the scheme is too tentative in terms of its geographical coverage. They are especially pertinent since the Total Place pilot scheme, introduced by the previous government in 2009, featured trials of joined-up services in 13 areas, many of which crossed upper tier council boundaries. Although the Government has stated its intention to roll-out Community Budgets nationwide by 2013-14, some have queried the need for an extended trial period and a number of local authorities have complained that Community Budgets are an insufficient measure. Certainly, it is to be hoped that the pilot Community Budgets will serve to bolster the case to extend joined-up service provision across the country as soon as possible.

“One of the key shortcoming of the current system to help families with long-term difficulties is that there is no system in any meaningful sense, but numerous different schemes.”

In his article, Chris Williamson reminds us of the significant achievements of the Total Place pilot, particularly in indicating the shortcomings of fragmented public services when viewed from the “citizen’s perspective” and providing a credible alternative to the siloed approach

to local service delivery. He also opines that the Community Budgets pilot scheme fails to draw on the lessons of Total Place to effectively assist families with complex needs. He believes that the grant cuts to local government, coupled with the restriction of Community Budgets to local government funding, will adversely affect the very people that the scheme is seeking to help.

In contrast, Peter Martin is confident of the potential of Community Budgets. As the Leader of one of the councils selected to trial the scheme, he argues that it can form a key part of the wide-ranging programme of public service reform which is currently required to enable good outcomes for service users while the Government addresses the fiscal deficit. He claims that “there is an urgent need to redesign this public service model from the bottom up and reflect the needs and aspirations of today’s consumers and citizens”. He says that in Essex, Community Budgets will be channelled towards those families with the most severe needs to “stop them reaching crisis point in the first place”. In contrast to Chris Williamson, Peter Martin believes that the health and justice sectors will have an important role to play in his council’s Community Budget, and that in tandem

with these and other partners, the scheme will play a central role in reshaping service delivery to meet present day requirements.

We hope that you enjoy reading these informative and stimulating contributions to a vital debate in the local government sector.

Essex County Council

Peter Martin, Council Leader



The UK's public services, and those who lead them, face an unprecedented challenge. The Comprehensive Spending Review set out the Coalition Government's plan to reduce the UK's budget deficit and restore discipline to the public finances. This plan will hit services to communities, with cuts in local government, police, transport, and education budgets.

But the challenge is not purely fiscal: the model on which Britain's public services are based has reached its limit. Ten years of real public spending increases have delivered only a limited improvement in social outcomes and as public spending has increased, productivity rates have actually fallen. Despite the highest public spending for almost thirty years, health inequalities remain large, schools still fail to equip young people with the right skills and criminal reoffending rates are shockingly high.

“Community Budgets will create the first truly integrated and policy-focused budgets”

Arguments about the limitations of our public services are well rehearsed. They are designed at the centre, funded from the centre and, until recently, were regulated by the centre through a system of top-down targets and inspections. They are also fragmented, with Whitehall departments taking decisions and implementing policy in isolation from one another.

The current model of public services has supported our communities for over 60 years. There is an urgent need to redesign this model from the bottom up and to reflect the needs and aspirations of today's consumers and citizens. The sense of urgency is heightened by tough financial constraints: if service improvements have failed to keep pace as spending increased, budget cuts could mean retrenchment, stagnation and decline.

Public service reform is not something that can be taken lightly. The bureaucracy of the public services, as currently configured, has been designed to resist change. No piece of today's public service architecture, however inefficient or perverse, exists without an advocate – someone who saw a reason for introducing it. Any attempt to review, revise or

replace existing processes therefore faces a series of hand-to-hand negotiations with vested interests. A piecemeal approach to reform can deliver nothing more than marginal change.

The coalition's commitment to localism will be fundamental in delivering more substantial change. Part and parcel of this commitment, 'Community Budgets' will be pivotal. By pooling budgets across national and local services and devolving spending decisions, community budgets will create the first truly integrated and policy-focused budgets. Partners will have greater freedom to join-up local processes and enhance the customer experience, without organisational barriers getting in the way.

Community Budgets will also give local partners an opportunity to reshape the system of local services. This could mean redesigning processes or integrating services, but the greatest benefit will be enjoyed when services are reshaped to focus on prevention. By shifting the emphasis of local public services onto 'prevention' and away from 'cure', community budgets could improve communities' quality of life and reduce the long-term costs to the taxpayer.

Community Budgets are, of course, at an early stage of development. The first such budgets have been announced in only sixteen local areas. The policy focus on these first Community Budgets will be on families with complex needs. Essex is one of the pilot areas, and local partners are working with government to define the scope and scale of the budget programme.

We are determined to ensure that our local work is as ambitious as possible. We want to use the Community Budget to tackle the relatively small group of families who incur the greatest cost to the public services – as much as £350,000 per family each year. These are families that lack the resilience to overcome the problems facing them, or the motivation and capacity to get the support they need. The majority of this group have previously received services as they hit different crisis intervention points. Many will have entered the criminal justice system; many will have come close to eviction; many will be affected by substance misuse and many more will have been unemployed for long-periods.

But as well as tackling the needs of families in crisis, we have an opportunity to stop families reaching crisis point in the first place. By working better together, public services can gather and use intelligence on families vulnerable to crises in the future. The work of health visitors and midwives provides a case in point. They have contact with families, often in their homes, prior to the birth of any children. With greater links to other support teams in the public, voluntary

and community sectors, and a commitment to think beyond their own professional silos, they could play a wider role in identifying the risks that face families. They could provide early warning on anything from drug abuse or domestic violence to bereavement and personal isolation. Other support services, for example GPs, parents' groups and even social landlords, could play a role too.

Although the early identification of risk factors is crucial, this need not trigger heavy handed state intervention in family life. On the contrary, the community will often have the means to help itself with local family support networks establishing supportive connections. Where further support is

required, this should ideally be co-designed and co-produced with the family. It must also be holistic, focused on the needs of the family unit rather than simply on needs of individual family members.

The principal challenge will be to fully integrate

the work of all agencies that support families in different ways and at different times. We would like to see local partners (e.g. Schools, local authorities and GP consortia), national agencies (e.g. Jobcentre Plus and HM Prisons) and government contractors (e.g. DWP work programme providers) using a shared budget to jointly commission a single set of local support services. We would like to see harmonised assessment processes and local interdisciplinary boards of professionals designing support packages for each family. Perhaps most importantly, we want to break down the cultural barriers that exist between different professional groups. Providing modern services means thinking beyond professional silos and adopting a 'whole family' approach: considering family needs as a whole. Professionals may need to look beyond their specific area of expertise and agree a common language, common thresholds of need and a common focus on early intervention and prevention. We will support professional groups in making this transition.

Essex is fortunate in that it has already developed the robust and committed partnerships necessary to make Community Budgets work. Nevertheless, we recognise that to realise the full potential of Community Budgets we need support, not just from CLG and DfE, but from all across Whitehall.

We need Ministers to ensure that all government agencies pool their resources and integrate commissioning and delivery processes with local partners. We also need investment. Essex's

Community Budget will fund work that will deliver substantial savings to government departments – we want to see these departments invest to deliver this saving and then reinvest to keep families out of crisis and deliver long-term cost reductions. We know that the public finances are tight – this is the reason why we make this plea. Preventing family crises will deliver immediate returns and longer-term savings.

These savings are available in other policy areas too. Community Budgets provide a model that can improve outcomes and reduce costs wherever existing provision is fragmented; wherever the delivery of outcomes is undermined by confusion over competing roles and wherever money is wasted by maintaining artificial organisational silos.

As our initial Community Budget develops we would like to see government expand the model to address the challenge of skills and worklessness. We know that current provision in this area is duplicative and expensive. We know that responsibility is fragmented. Given the local impacts that skills and worklessness can have, the size of the budgets involved and the scale of potential savings, there is a clear case for pooling budgets and allowing partners to reshape local services. Preventing skills gaps and worklessness will deliver a far higher long-term return to the exchequer than work to remedy existing gaps and benefit dependency.

We also believe that Community Budgets have potential at the hyper-local level. Essex County Council and Braintree District Council are leading work to devolve a range of service responsibilities to towns and parishes as part of a local Community Budget. This work focuses more on empowering communities than consolidating national funding streams, but the potential to deliver financial benefits remain.

With the backing of Whitehall, Community Budgets have the potential to reshape the UK's public services for the twenty-first century. We must recognise that rolling out this approach across different policy areas will be tough. It will mean a fundamental reassessment of the role of the professional and reconfiguration of services around the needs of the family. This must be predicated on the realignment of the relationship between the centre and the locality. If we can get this right, our reward will be a sustainable public service model based firmly on localist principles.

I would like to thank Alastair Gordon (Policy Analyst at Essex CC) for his help in preparing this article.

The Labour Party

Chris Williamson, Shadow Parliamentary Under-Secretary of State for Communities and Local Government



Innovative solutions are required if we are to successfully enable those families who are trapped by a combination of poverty and geography to aspire to – and achieve – a better life. In my view, this isn't something that can be left to David Cameron's so-called 'Big Society'. There is only so much that charities, voluntary organisations and local neighbourhoods can achieve on their own. There has to be a role for democratically accountable statutory agencies to play a part in delivering better outcomes for the communities they serve.

The 'Total Place' programme that was adopted by Labour in 2009 represented a really good start at doing so. It was designed to look at public spending and local leadership in 13 areas to identify how significant efficiencies and better collaboration could be achieved.

"Total Place demonstrated that it is possible to use a pioneering new approach to deliver better outcomes and improved value for money"

Total Place was first outlined in the White Paper 'Smarter Government: Putting the frontline first'. It stated that: "Total Place pilots will provide evidence of how to unlock value within an area...by reducing duplication

and...services more squarely on the needs of the users." It promised freedoms and flexibilities that would help to "recast the relationship" between the centre and the frontline.

The 13 areas in England that were covered by the initiative included 63 local authorities, 34 primary care trusts and 13 police authorities. They included a wide range of socio-economic and demographic characteristics, different local authority structures, a population of some 11 million people and a budget worth more than £82bn in public spending.

Each pilot area addressed a range of challenging issues, which included tackling unemployment and worklessness, crime and offender management including dealing with people leaving prison and young offenders' institutions. The pilot projects also

dealt with young people leaving the care system and commissioning health and social care services for children and adults.

This place-based approach to local public services demonstrated that it is possible to use a pioneering new approach to deliver better outcomes and improved value for money. The early success of the pilots was highlighted in another Government publication "Total Place: a whole area approach to public services", which set out the case for change stressing the value of early intervention and data sharing. It also pointed to the complexity and fragmentation of public services when viewed from the citizen's perspective. This makes it more difficult to tackle the downward spiral caused by poverty that leads to low aspiration and creates a trap into which too many families have fallen.

Apart from the moral imperative, the other key driver to developing a new approach is the unprecedented cuts in public spending. Public bodies must identify significant efficiencies if they are to have any chance of playing a part in helping so-called 'problem families' to transform their lives for the better.

I was initially encouraged when the Conservative-led Government said it supported the principles of Total Place. The evidence from the pilots showed that real savings could be made at the same time as improving the outcomes for local people. But the decision to alter and rebrand it under is potentially disastrous. The Government has effectively neutered its new Community Budget proposal by excluding health, police and probation services that were included in the original Total Place initiative. The fragmentation of schools funding, abolition of PCTs and the introduction of elected police commissioners with their own agenda will make effective joint working almost impossible.

Yet it is in everybody's interests to find ways of unlocking the pool of human talent that is wasted in those families with multiple problems. Poverty and lack of aspiration often leads to alcohol and drug abuse, criminality and anti social behaviour. Yet the Government's response to the problems caused by long term unemployment, poverty and deprivation is to bury its collective head in the sand. Inflicting unprecedented public spending cuts whilst simultaneously dropping a proven methodology to do more with less is frankly bonkers. The Government's approach could create a perfect storm leaving local authorities unable to cope. With rising unemployment, poverty and deprivation, local councils and other public bodies will be faced with rising demands on their services. But with much reduced budgets and far fewer staff to deliver public services the challenges for many local authorities will prove to be overwhelming.

The danger is that in such an environment, ‘problem families’ will get less support and that could create even bigger problems in the future. Moving away from Total Place and restricting Community Based Budgets to local government funding, albeit with less ring fencing, undermines the ability to address the needs of families with complex needs. As the Total Place pilots showed, there are considerable social, economic and financial advantages to a joined-up approach to such households. I have seen the benefits of early intervention with young people at risk of getting involved in criminality and anti-social behaviour, which can have remarkable outcomes. I know young people who were abusing drugs, committing burglaries and whose parents didn’t know how to be parents who have been able to completely turn their lives around.

In addition to the direct benefits to the young people and their families, such interventions provide massive long-term savings to the public

purse and huge benefits to the wider community too. My worry is that because Community Budgets are restricted to local government funding, opportunities will be lost to develop new ground-breaking ways to help people transform their lives.

John Tizard, the director of the Centre for Public Service Partnerships

seems to agree. He suggests that councils should be given total discretion over how they work with ‘problem households’ in order to develop and introduce truly innovative long-term sustainable solutions. He believes it is essential that the Department for Work and Pensions and Jobcentre Plus are devolved to localities. He describes Community Budgets as “a compromise too far” and asks why the DCLG has failed to convince other Whitehall departments of the benefits of localism based on democratic local government. It is a good question, but I doubt he will get a sensible answer out of the Secretary of State who is in denial about the impact of the cuts. Eric Pickles’ claim that reduced funding will not lead to big cutbacks in local government prompted a rebuke from Margaret Eaton, the Tory chair of the Local Government Association. In a recent article in the Guardian she said: “To suggest [the cuts] will not have any impact on services is detached from the reality councils are dealing with as they set their budgets.”

The scale of the cuts in funding to local government is so great that I fear Community Budgets will prove to be nothing more than a useless gimmick. But genuine localism, exemplified in the Total Place programme, offered a blueprint to transform public services and the lives of millions of families who rely on them. That includes those families deemed to be a ‘problem’, who need high quality public services more than ever, but Eric Pickles’ ‘Total Place Lite’ is not the answer.

“The Government has effectively neutered its new Community Budget proposal by excluding health, police and probation services that were included in the original Total Place pilot”

About Localis

Localis is an independent think-tank dedicated to issues related to local government and localism more generally. We carry out innovative research, hold a calendar of events and facilitate an ever growing network of members to stimulate and challenge the current orthodoxy of the governance of the UK.

For more information, please visit www.localis.org.uk or call 0207 340 2660.

All views expressed in this document are those of the authors alone, and do not necessarily represent the views of the organisations they represent. These views do also not necessarily reflect the views of Localis.



LOCALIS RESEARCH LIMITED
10 Storey's Gate, Westminster, SW1P 3AY
T: 0207 340 2660
F: 0207 222 5859
E: info@localis.org.uk