FOREWORD

As the national purse remains tightly drawn and the next comprehensive spending review looms, all councils are grappling with the question of how to get more out of squeezed funding.

The easy response to these challenges might be to shut libraries, slash customer service staff and dilute other important local services; but I believe councils owe it to their residents to look inside their own town halls and ask whether money can be saved from back office ‘paper-shuffling’ and bureaucracy.

As three central London councils we’ve embraced this approach; protecting front-line services by combining Children’s Services, Adult Social Care and Library services across the Tri-borough area and starting to share Environment Services across Hammersmith & Fulham and Kensington & Chelsea.

However, the scale of the challenge means we must look beyond just local councils. Community Budget pilots are one mechanism for doing this. As the only whole-place pilot in London, we need to make the most of the opportunity to lay down a blueprint for the future of public services in the capital and forge a new relationship between local, city-wide and national government as well as other public sector delivery partners, private enterprise and the voluntary and community sector. There is an opportunity here which we cannot afford to miss.

The examples showcased in this report illustrate that change is possible, savings can be made and services improved but we need commitment to do this across the board and importantly from Whitehall. We commend the government for taking Community Budgets forward, but when you’re bringing partners together to re-design services, the reluctance of a few can ruin the party.

We need more than goodwill from ministers and officials to make this happen. In an age of austerity being defensive of empires and budgets will not bring about the change we need.

Cllr Phillipa Roe
Leader of Westminster City Council
EXECUTIVE SUMMARY OF KEY FINDINGS

- In April 2012, we began piloting a streamlined approach to reduce the average length of a child care proceedings case through the courts from 58 to 26 weeks. For legal costs alone, it is anticipated that annual savings of £1.2 million could be realised.

- We are developing a whole systems approach to health and social care, where jointly commissioned, integrated and locality based health and social care teams will ensure people get the right care, in the right place, at the right time. We envisage that the pilot will contribute to reducing unplanned hospital admissions by 25% and care home placements by 15%, delivering combined gross savings of approximately £50 million per year across the NHS and social care.

- In tackling troubled families, we are taking forward an innovative new service design with local partners so that we can ‘deliver as one’ against our existing statutory responsibilities for families, as well as providing a more intensive wrap around service for troubled and complex families. Based on our previous programmes we expect this could produce cashable savings of £2 and wider benefits to the public sector of £3, for every pound spent.

- To reduce reoffending we propose to switch all discretionary funding currently spent on reoffending programmes for long sentenced offenders to short sentenced offenders. We believe that this will achieve a 10% reduction in reoffending rates amongst the short sentenced offenders cohort.

- Our new approach to tackling serious youth violence will work with 16-24 years olds across the Tri-borough area, marking a fundamental shift away from borough based resourcing to a set-up designed to budget for real life and overcome artificial borough boundaries.

- To improve middle income housing for those ineligible for social housing and unable to afford private housing, our pilot is investigating how the intermediate rental housing market can be expanded and products developed that help occupants to buy a home at a later stage.
OUR KEY ASKS

- A recurring issue in redesigning services is **aligning investment with return**. Too often a partner does not receive the equivalent return on the investment they put into a service, particularly where it is preventative in nature. **This stifles the incentives to change.** The Government’s new Troubled Families payment-by-results (PbR) programme represents a move in the right direction. However, we need these approaches, and **Whitehall’s active buy-in**, to be the norm rather than the exception.

- To ensure confidence in commissioning and service redesign, we need commitment from Government to **long term sustainable funding for programmes**. PbR payments for troubled families are only due to last until 2015 and reoffending programmes are currently funded through short term grant. To adopt long term consistent approaches requires long term investment.

- A major roadblock we face is **data sharing**. We can deliver seamless and integrated services if we have access to and share data about service users but Whitehall is holding us up. This must change quickly if we are to make progress.

- We need to **break down organisational barriers**. The Community Budget pilots are showing what can be achieved when national and local partners work together. It needs to become commonplace that joint teams from all agencies work more flexibly and creatively to address the pressing social, economic and environmental problems we face in each locality. Unless and until we can do this as a single team, the citizen will remain confused by government.

- We need a **new breed of public service worker**, one not inhibited by traditional barriers or silos and able to work across the spectrum of service delivery. The professions are important in validating and driving up standards but they must not act as a hindrance to new ways of working that put our citizens at the core of what we do.
OUR APPROACH

Our whole-place Community Budget pilot is taking forward 11 projects under the 5 themes of families, justice, health and care, work and skills, and economic opportunities. In each of these, a credible business case will be produced setting out how we will work in new ways with Government, business and residents to reduce dependency and create conditions for growth.

Taken together, they will provide a plan for accelerating how we achieve the Tri-borough ambitions of improving lives and making public funds go further. For Government, they will set-out credible new investment models for local public services which will inform the Comprehensive Spending Review and Local Government Finance Settlement from 2013. Interim proposals will be discussed with Whitehall officials in July and a full Operational Plan with detailed business cases will be produced by the end of October.

Our two neighbourhood Community Budget pilots in White City (Hammersmith and Fulham) and Queen’s Park (Westminster) are also aiming to develop and test radical new models for bringing together and devolving public services at the local level. Together with our whole-place pilot, they are creating a credible platform for the further devolution of powers and responsibilities from Whitehall to town halls and beyond. Already our work is showing signs of what could be achieved when partners work better together.
SHOWCASE PROJECTS

Good decisions for children in court: speeding up child care proceedings

Our first project under the Community Budget pilot is already up and running and producing results. In April 2012, we began piloting a streamlined approach to reduce the average length of a child care proceedings case through the courts from 58 to 26 weeks across the Tri-borough. This is against the backdrop of national increases in the number of children going through care proceedings and the average time taken resolving them.

Across Tri-borough, up to 100 sets of child care proceedings are started each year with the average length of care proceedings being 58 weeks. Such a lengthy process creates anxiety and uncertainty for the children concerned who are left in limbo, waiting to know where and with whom they will be living in the future. For small children who will be adopted, the delay of months can be crucial in influencing their chances of a successful adoption and promoting early attachment.

Our new pilot programme attempts to substantially speed up the process through a more collaborative approach between Local Authorities, CAFCASS (which is responsible for Guardians) and the judicial system; better performance management and tracking of cases through the appointment of a dedicated Case Manager; the sharing of best practice; reducing the length of time for additional assessments; ensuring continuity of the judiciary, social workers and CAFCASS Guardians; and a shared commitment to reducing the average length of proceeding to 6 months.

For legal costs alone, it is anticipated that annual savings of £1.2 million could be realised. Initial results are already indicating that cases are progressing more quickly, with a real sense of urgency having been injected into proceedings and positive responses received from judges.

Health and social care

The health and social care economy faces unprecedented budget reductions at a time of increasing demand. Evidence tells us that integration delivers better outcomes for people and can reduce hospital admissions, A&E attendances, and care home placements. Our local experience of integrated care initiatives and pilots reflects these outcomes but currently, these initiatives only address particular cohorts of people, services, or localities. A whole systems approach proposed through our Community Budget pilot would increase the scale and pace of integration to make it the default position from which all health and social care providers and commissioners in the Tri-borough are working. A joint health and social care delivery model will also better ensure that people get the right care, in the right place, at the right time.

We envisage that the pilot will contribute to reducing unplanned hospital admissions by 25% and care home placements by 15%, delivering combined gross savings of approximately £50 million per year across the NHS and social care.
These savings will be realised primarily in the acute sector and require re-investment into out-of-hospital based care. **Jointly commissioned, integrated, and locality based health and care teams** will proactively work with people at high risk of admission to ensure that their care is planned and best meets their needs and goals. Through re-distributing activity and costs, and giving professionals the shared information, skills, and mandate to work flexibility across organisational and service boundaries, the Community Budget will enable integration at a scale and pace not previously achieved.

To facilitate this, we will develop an **investment and savings model for integrated care** that projects the shift in activity and expenditure across services, so that providers and commissioners can plan accordingly. This model will also form the basis of a partnership agreement to ensure that all partners share the benefits of integration.

**Troubled families**

‘Troubled Families’ impose high costs on the public sector – **around £9bn per annum nationally**¹ – and can severely damage the quality of life of local communities. The national approach to troubled families is too siloed and not effective at improving their life chances. The Government’s new Troubled Families payment-by-results programme is helpful in focusing agencies on outcomes and results, not problems, and helping to tackle the critical funding issue where one agency invests in a family but another agency gains the benefits (realigning investment and reward). However, funding for this programme is likely to last only three years and the criteria only provides payments for less than one third of families² that are considered complex and high cost.

To tackle this, we have agreed an **innovative new service design with local partners** so that we can ‘deliver as one’ against our existing statutory responsibilities for families, as well as providing a more intensive wrap around service for troubled and complex families. We will achieve this by creating a single multi-agency team and intelligence desk so that assessments, interventions and monitoring are coordinated to have the most impact. We will also involve the private and voluntary sector where they can add most value at least cost; and use social investment where the case stacks up.

Based on our previous programmes we expect this could **produce cashable savings of £2 and wider benefits to the public sector of £3, for every pound spent**. We believe that this approach offers a sustainable long term solution that can be replicated nationally.

We know our approach works through the realisation of cashable savings by reducing demand on public services. However, the current system’s architecture does not easily allow partners to agree an equitable sharing of the costs and benefits. We are therefore developing an investment approach with our local partners, whereby the anticipated costs of the programme would be funded by contributions on a payment by results (PbR) basis, based upon the expected benefits to each organisation’s budget and performance.

However, to make this work beyond the DCLG’s Troubled Families PbR payments, which are only due to operate until 2015, any investment agreement will **need the buy-in of national partners** for whom the approach will deliver clear demonstrable benefits.

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¹ Social Exclusion Task Force estimate
² From our initial data match of families meeting 2 out of 3 or all the DCLG cohort criteria
Reducing reoffending

The **cost of reoffending on the economy is estimated to be between £9.5 and £11 billion**. The **Tri-borough area spends £4.4m** of discretionary grants on nine separate reoffending programmes. Despite this, reoffending continues to increase.

The current focus of grant spending is on longer sentenced offenders (over 12 months). However, short sentenced offenders (sentenced to less than 12 months in custody) are disproportionately responsible for the increase in reoffending and account for 65% of all prison releases and admissions. In spite of this, we provide no support to them on release from custody, even though they are more likely to change their pattern of behaviour and interventions to support them are cheaper than those for longer term offenders.

Our Community Budget pilot proposes switching all discretionary funding currently spent on reoffending programmes for long sentenced offenders to short sentenced offenders. We believe that this will achieve **a 10% reduction in reoffending rates** amongst the short sentenced offenders cohort, which will reduce demand on the system and provide wider social and economic benefits.

Based upon previous evidence we have agreed **a new model for tackling non-statutory re-offending** which is based upon a single assessment and management approach across the three boroughs, coordinated between the Police, YOT, Probation Service and the Local Authorities.

The model will include the following key design principles:

- Comprehensive early assessment which will take place before sentencing.
- Resources to be allocated based on the interplay between the offender’s motivation to change and the likelihood of them reoffending.
- End-to-end key worker engagement with the offender from initial assessment, within custody and through the gates into the community. The same worker will be assigned to an offender if they reoffend and re-enter the criminal justice system.
- A personalised action plan combining advocacy to statutory services and bespoke commissioned services based on individual needs.
- Consequences for non-engagement or persistent offending.

To achieve this, we need the support of Government to refocus funding streams and commit to supporting a long term sustainable approach.
HIGHLIGHTS FROM OUR OTHER PROJECTS

• **Our reducing serious youth violence project** is developing a new approach aimed at 16-24 year olds across the Tri-borough area. Currently there are a number of different programmes and services which will be brought together to provide a new streamlined, focused service. The pilot is aiming to develop a flexible service, where resource moves across borough boundaries and is dedicated to problem areas and communities. This fundamental shift away from borough based resources takes Tri-borough efficiencies to the next level and will mean residents no longer have to ‘mind the gap’ between artificial borough boundaries.

• As part of our **work and skills** theme, we have identified that there are currently over 3000 young people who are unemployed and claiming benefits in the north of the Tri-borough area and around a further 600 who are ‘hidden’ NEETs (Not in Education, Employment or Training) who are off the radar of the statutory agencies. To turn this situation around, the Community Budget pilot is developing an approach based upon systematic identification and appropriate support for high risk NEETs focused around prevention and rapid re-engagement; and a Further Education market that is driven by well informed students and reflects the needs of employers.

• To improve **middle income housing** for those ineligible for social housing and unable to afford private housing, our pilot is investigating how the intermediate rental housing market can be expanded and products developed that help occupants to buy a home at a later stage. This will create more mixed communities, foster aspiration among the unemployed and low earners as well as middle income families, and promote a more balanced pattern of public services. It will also boost house building activity and enhance employers’ access to workers.

• By concentrating more **employment and housing advice** on housing estates, we hope to reinforce incentives to enter and remain in the world of work and help job seekers to find work for themselves. As more tenants secure work, this will create new norms on our housing estates, which will help to raise long-term aspirations of people living there and so tackle intergenerational worklessness, low social mobility and the welfare dependency culture.
• To illustrate how the forward planning and strategic co-ordination of infrastructure can be better undertaken in order to promote economic development, the pilot will scope an alternative approach to a specific development involving a broader range of partners. Currently the proposal is to show how involving the boroughs in the design and execution of the High Speed Rail 2 Old Oak Common hub, including a Crossrail station in Kensal, can maximise regeneration potential.

• To enhance competitiveness and commercial opportunities for SMEs as well as increase digital opportunities for residents, our pilot is investigating possibilities for the roll-out of a fibre-optic network to enable ultra-fast broadband across the Tri-borough, starting with council housing estates and then extending to surrounding homes and businesses.
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