
**Manchester City Council
Report for Resolution**

Report To: Resources and Governance Overview and Scrutiny Committee -
10 March 2011

Subject: Community Budgets

Report of: Geoff Little – Deputy Chief Executive – Performance

Summary

The Budget includes a proposition to set up the Manchester Investment Fund, which is Manchester's version of a Community Budget. It will enable investments in interventions that will both improve outcomes for residents by reducing dependency and enable the council to reinvest savings in additional interventions. The proposition includes new governance arrangement and performance frameworks that will allow the savings to be identified.

Recommendations

Resource and Governance Overview and Scrutiny Committee are invited to comment on the proposal for a Manchester Community Budget.

Wards Affected:

All

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

1.0 Introduction

- 1.1 Greater Manchester is developing an approach to Community Budgets that will begin to be implemented from April 2011. This builds on Total Place and the City Region Spatial Pilots. Greater Manchester is one of sixteen pilot areas announced in the Comprehensive Spending Review in October 2010. This report outlines the approach in Manchester and proposals to create two working examples.

2.0 Background

- 2.1 The Community Budget model being developed in Manchester and in Greater Manchester will be an important tool in delivering the Greater Manchester Strategy through promoting public sector reform which helps to reduce dependency and improve the productivity of the labour market. It promotes an investment approach where a proportion of the savings delivered can be re-used for further reductions in dependency and to drive wider reform.
- 2.2 The context for Community Budgets is a financial settlement that in the GM public sector has been harsher than predicted. The reduction in resources emphasises even more the need to reduce demand for high dependency services, but at the same time, reduces our capacity to do so. Our approach to Community Budgets, is therefore, being used to develop innovative new ways to invest in public sector reform.

3.0 Investment – the Greater Manchester approach

- 3.1 The approach being developed will directly support the priorities in the Greater Manchester Strategy and Manchester's Community Strategy, which explicitly acknowledges the role of economic development in diverting families from high dependency on public sector resources through inclusion and self reliance. It will focus on those individuals and families who currently require disproportionately high amounts of spending by public services but who, with the right support, have the potential to become more self reliant.

- 3.2 The Manchester Investment Fund in use

The resource in the fund would be split between those used through existing silo based commissioning and those used through a new integrated commissioning methodology. At the start only a small proportion would be used via the integrated commissioning method. The majority of the fund would be used to continue funding business as usual. The integrated commissioning part would fund our working example of a Community Budget from April.

The working example will only invest in interventions that have the strongest evidence of cost effectiveness and there will be robust integration of delivery for families. Outlines of the examples are set out below. The working examples will be subject to cost benefit analysis to track savings produced by reducing demand by the targeted families for dependency related services.

There will be agreements setting out how savings once identified will be made cashable and, in part, reinvested into the fund.

Over time the balance would shift as evidence from the evaluation and cost benefit analysis of the new delivery method is used to decommission services funded from the traditional silo based part of the fund so that the resources can be switched to the integrated commissioning side to scale up the new delivery method adjusted according to the evaluation.

This method ensures that existing services are only decommissioned in a safe and planned way. It also ensures that new investment from the fund is only made on the basis of an understanding of risk based on good evidence. It recognises that the existing funding is covered by contracts and commissioning agreements.

Individual Directorates and agencies would not lose control of their commissioning. Each Directorate, partner and agency would manage its own portfolio of investments.

4. Governance

- 4.1 The Manchester Investment Partnership be accountable to the Manchester Partnership and will operate within its existing governance. It will therefore be subject to overview and scrutiny and ward coordination.

5. Manchester Investment Fund: Complex Families Working Example

- 5.1 Progress is being made to implement the first phase of a working example of a Community Budget for complex families in Manchester by April. This will focus on delivering interventions with a strong evidence base and capturing the savings associated with reduced demand for services for reinvestment and scaling up.
- 5.2 The cohort for this working example is defined in the context of the spectrum of universal, targeted and specialist services within which some families and individuals have increasingly complex needs and high costs associated with these needs. Two specific cohorts of families and individuals who are complex or at risk of becoming complex have been identified. Estimates of the sizes of these two cohorts have been made. A data matching exercise is underway to both validate the estimates and to identify the cohort of families to work with.
- 5.3 A new delivery model for these cohorts is being designed based on the learning from the Ardwick City Region Pilot, experience from other pilots and the evidence we have been building about effective interventions. A number of core interventions have been identified as being part of the new delivery model. These all have been chosen on the basis of how strong the evidence base is and an initial cost benefit analysis of each has been carried out. The initial interventions are:-
- Parenting classes

- Family Intervention Project
- Families First
- Alcohol/substance misuse treatment
- Debt advice

Other interventions will be added as the working example develops.

5.4 Integration between services and partner agencies is critical to the success of the model. There are a number of points where integration will be essential:-

- (a) Assessment – of the whole family, drawing on and taking into account previous assessment processes and information about families and individuals;
- (b) Sequencing of interventions – agreement and sign up to a plan of care and interventions that are properly sequenced;
- (c) Access to services – the ability to ensure that families within the cohort have access to the right services at the right time (i.e., having the ability to queue jump where this is agreed);
- (d) Supervision – to ensure that the interventions are delivered correctly and that there is appropriate safeguarding supervision; and
- (e) Case tracking and closure – ensuring that agencies and services remain engaged for as long as needed and that adequate ‘aftercare’ is available.

5.5 Current work is focused on drawing together information about the skills and resources that will be necessary to implement the new delivery model from April. Getting staff into post with the right skills, training and supervision on this timescale will be challenging. We are also focusing on the practicalities of delivering the integration approach with partners at neighbourhood level.

5.6 The Investment Agreements will be based on a robust business case that shows how the financial model will work.

6. Transforming Justice - Offender rehabilitation working example

6.1 Local partners led by the Association of Greater Manchester Authorities (AGMA) local authorities, Greater Manchester Police, Greater Manchester Probation Trust and National Offender Management Service (NOMS), are working together to put in place a new delivery model to prevent offending and reduce re-offending. The cohort for this working example is divided in to five groups with particular attention placed on the transition from youth to adult services and with consideration being given to the differing needs of women. The cohorts are:-

- Young people (under 18’s) at risk of offending
- Young offenders (under 18’s) at risk of re-offending
- Young adult offenders at risk of re-offending aged 16- 22 years
- Adult offenders at risk of custody (over 18’s)
- Adult offenders (over 18’s) serving <12 month custodial sentences at risk of re-offending

- 6.2 The new delivery model is being designed to deliver a number of specific interventions which are being chosen on the basis of how strong the evidence is that they will reduce demand on the criminal justice system by preventing offending and re-offending. The interventions focus on critical points of transition between services and build on existing offender management approaches and pathways. The interventions are required to have good evidence of costs and potential savings.
- 6.3 The new delivery model will integrate services through a single assessment and case management arrangement. The assessments will be of the individuals in the cohort in the context of their family. The integration process will be critical in enabling local agencies to target their resources and delivery on the individuals within the specific cohorts and their families.
- 6.4 If the new delivery model reduces crime and hence the demand for criminal justice services the local partners will share in any savings made. The Ministry of Justice financial incentive model will be tested through this working example. Training, work and appropriate accommodation are key to ending or reducing offending behaviour, as is work with families. The working example will therefore attempt to include all necessary agencies in the integration process and it will aim to track investment to savings across the boundaries of all agencies, including beyond those directly involved in the criminal justice system.
- 6.5 A key next step is to agree which budgets can be put into a single pot so that as evidence is produced by the working example it can be used to inform decommissioning decisions releasing mainstream resources for investment in scaling up those aspects of the new delivery model that are shown to have better cost benefit ratios. The alignment of budgets within the single pot will not alter the accountability for the separate budgets. It will remain the responsibility of those accountable for specific budgets to make commissioning / decommissioning decisions, but they will make their decisions with the benefit of evidence from evaluation of the working example of the likelihood of their investment giving them a return through better outcomes for which they are accountable and a share of the savings captured and returned to the local partnership.

7. Conclusion

Worked examples of how a new investment model in the form of Community Budgets are being developed in Manchester and in Greater Manchester. The intention is to link savings to interventions and ensure they are captured and recycled in order to invest in additional interventions. Committee members are asked to comment on the proposals.