



## Japan Local Government Centre, London

### Monthly Report for July 2011 – Community Budgets

#### **Background**

Under the last Labour government the 'Total Place' approach to mapping total government spend across local areas was pioneered in 13 pilot local authorities, with the ultimate aim of establishing a budgetary mechanism for securing efficiencies across the public sector by avoiding duplication of spending. The policy was effectively abandoned following the election of the coalition government in May 2010, but some elements were retained in the new 'Community Budgets' policy announced in the October Spending Review, with particular emphasis on supporting families with complex needs and therefore higher costs to the public purse. 16 local authority pilots were announced as part of the new policy.

The 16 local authority pilots were finalised in March 2011, ahead of the Local Government Resource Review, which was introduced in two phases, the second of which is to focus on Community Budgets. The Review has now reported on the government's plans for the local retention of Business Rates revenue.

#### **Community Budgets**

In June 2011 the Deputy Prime Minister Nick Clegg announced that the policy was to be rolled out across England, with 50 more areas added in 2011 and a further 60 in 2012. This follows Prime Minister David Cameron's declaration that the government's ambition was to turn around the lives of the country's most troubled families by the end of this parliament in 2015.

These families are less than one per cent of the population, but are seen by as many as 20 different public and voluntary sector professionals at a cost of £4bn a year. Around 40-50,000 families experience multiple social, economic and health as well as serious child problems while a larger group, possibly around 70,000 (making around 120,000 families in total) are at a much greater risk of developing these problems. The needs of these families (and the problems they can cause to others) can be so great that up to £250-£350,000 can be involved in trying to help each of them.

The Deputy Prime Minister also announced that four new Community Budgets pilots will be launched to explore how local areas can have greater control over services through an all-purpose single budget agreed with Whitehall:

- two areas will be selected to help co-design neighbourhood level Community Budgets

- two areas will also be selected to help co-design a Community Budget bringing all funding on local public services for the area into a single pot

A prospectus will be issued by the Department for Communities and Local Government at the end of the summer setting out the details for creating these single budget pilots.

Each Community Budget area will be offered support from voluntary and private sector experts in redesigning local services and using new and more effective ways to help families as well as deliver savings in local service costs. Nine centres or 'Dissemination Hubs' based within local authorities around the country will provide practical support to neighbouring areas in developing services for these families.

*Any opinions expressed in this report, which is prepared for translation, are solely those of the author and do not necessarily represent those of JLGC or CLAIR.*