One Place, One Budget?

Approaches to pooling resources for public service transformation

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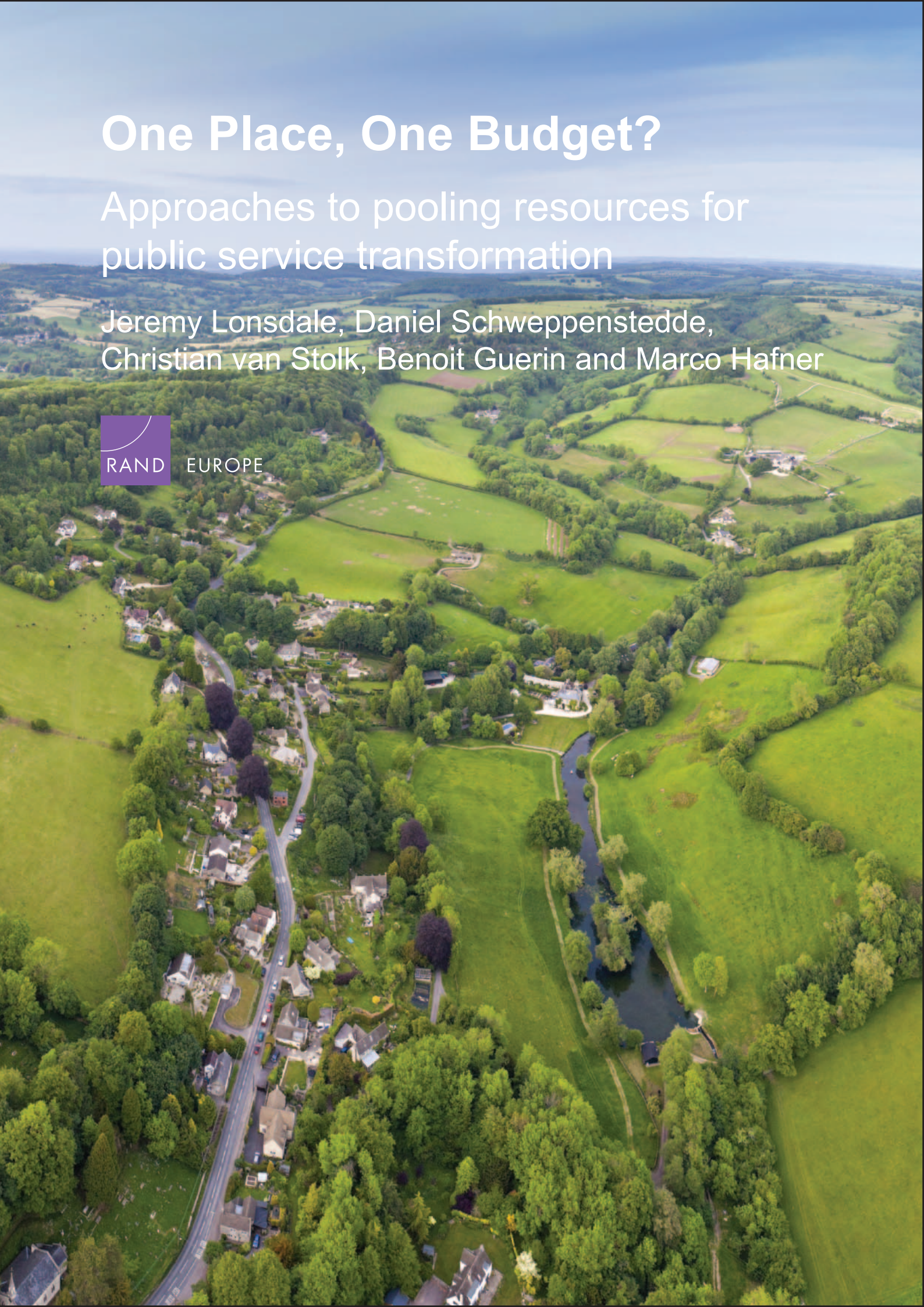

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Preface

In October 2014, the Local Government Association (LGA) People and Places Board commissioned RAND Europe to prepare nine case studies of places where LGA knew a pooled approach was being used. The objective was to describe the development of different initiatives and to comment on what appeared to be the enablers and barriers to progress. LGA also asked RAND Europe to make recommendations for what a 'public sector reform deal' – a series of 'asks' of government and 'offers' from places – might look like, based on the evidence from the nine initiatives.

The specific initiatives examined were put forward by the local authorities involved in the project, and cover different services including health and social care, skills and vocational training, regeneration, economic growth, troubled families and the management of public assets. In the time available, RAND Europe was not able to carry out full evaluations of the initiatives, and was asked not to place undue burden on participating bodies. This, and limitations on the availability of quantitative and financial data where projects were at any early stage, restricted our analysis of impact.

To undertake the project, RAND Europe gathered evidence from a number of sources. The team conducted a review of the relevant literature on community budgets, pooling and public service reform prior to the next phase of the research. After examining documents relating to each case study, the team conducted interviews with key representatives involved in the initiatives. The interviews took place between mid-November 2014 and early January 2015. A workshop with representatives from all nine places and the LGA was held in January 2015 to discuss emerging findings. This evidence base has enabled us to draw conclusions on general lessons about the factors that appear to be influencing collaborative working, but not comment in detail on the effectiveness of individual initiatives.

We would like to thank Laura Caton and Piali DasGupta of the Local Government Association for facilitating the project, and all those staff in different agencies who agreed to be interviewed or attended our workshop.

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Summary

Background

There has been significant interest in recent years in trying to better coordinate the efforts and resources of different public agencies in particular places, and break down what has been called ‘silo’ government. One aspect of this is interest in pooling budgets. Such initiatives stem from the belief that uncoordinated efforts by multiple agencies, and multiple funding streams are inefficient, ineffective and frustrating for service users.

Enablers

Overall, we found evidence of significant progress in each of the places. There was considerable enthusiasm among the participants we interviewed for the collaborative approaches that were being developed, and a belief that they were helping to improve public services. Key enablers identified from the case studies included the importance of taking a **pragmatic approach** and focusing on ends, rather than means. This may involve building on existing practice and relationships, and prioritising early progress towards better outcomes, rather than creating new structures. The value of **generating** and **using data** was highlighted as helping to create buy-in among partners through a common understanding of issues and planned outcomes. We saw evidence of new ways of combining data providing new insights about public service delivery and challenging assumptions about service use. We also heard about the value of sharing data to provide agencies with a complete profile of service users, so as to better coordinate assistance.

Each of the case studies displayed a **focus on outcomes**, rather than inputs or process, with shared outcome frameworks helping in some cases to provide the basis for considering strategically the overall objectives to which all partners were working. In some cases, this focus on outcomes provided the rationale for restructuring services around users – such as the ‘Team around the Family’ approach to coordinate and rationalise contacts with service providers. Changes in **organisational culture** and **behaviour** were also seen as crucial, including more flexible ways of working, a more collaborative style among senior leaders, and efforts to look at problems differently. Our cases include examples of borough, district and county councils working together to tackle problems despite organisational differences.

Barriers and challenges

Although the examples we examined were chosen by the LGA because they were considered to be making progress, in our interviews and workshop we heard about barriers and challenges to change that had been experienced or were considered to exist more generally. Some of these stem from the fact that all initiatives face challenges associated with attempting to alter longstanding behaviours, tackle complex social problems or transform approaches to service delivery at a time of constrained resources. Local authorities are also operating in a dynamic environment where, for example, wider

reforms such as in welfare spending, impact on local initiatives. We have categorised these barriers and challenges under four headings: relationships, data and information governance, funding and outcomes, and culture and skills. A number of our interviewees perceived a **lack of buy-in** from relevant central government departments and agencies to some of the initiatives. This is combined with a need for the **current uncertainty** to be resolved about what are sufficiently robust governance and accountability structures needed to allow for more devolved powers. Specific **legislative and practical barriers** to data sharing across agencies were highlighted as a continuing impediment to efficient collaboration. A lack of alignment between national funding priorities and local needs, as well as a lack of multi-annual funding cycles, were also mentioned as creating uncertainty and a short-term outlook. These in turn were seen as working against a focus on outcomes and longer-term planning, which many considered essential to allow for innovative approaches. The **scale and variety** of partners involved was also mentioned as a challenge, as was skills shortages.

Reported impacts

Many of the initiatives we examined are at an early stage of development, and it is therefore difficult to assess their impact (which may take some time to materialise), or determine whether these impacts are due to the pooled or collaborative approach taken. The table below summarises reported or planned impacts – both quantified and more qualitative – which were highlighted to us.

Place	Reported or planned impacts
Cambridge – Managing growth and related demand for services	2014 City Deal for the Greater City Region worth £500m over next 15 years Job creation planned by 2031 – 45,000 £500m of local investment
Cheshire West and Chester – Integrated Early Support	Benefits of intervention expected to be £13m by 2017–2018 Cashable savings built into 2016–2017 budget – £570k 13% reduction in Children in Need cases since October 2013 when IES started
Cornwall – Integrated care and health prevention through collaboration	Reported impact of pilots - 30% fall in emergency admissions and 40% reduction in long-term conditions admissions in Newquay 20% rise in reported well-being in Penwith
Derbyshire – Using geospatial mapping and customer segmentation to transform the public estate	Geospatial model of Derbyshire based on 64 socio-demographic statistics Segmentation model and area-based asset strategies will inform the design of services for the next 5–10 years 26 bodies involved in Space Derbyshire project
Devon – Local communities identifying and solving service provision needs by developing community resilience	Community conversations feeding into a broader service reform programme with communities active co-producers 11 ‘locality leads’ in place in November 2014 Mapped public assets
Greater Essex – Skills for Economic Growth	Development of pathways to better match vocational training and job choices with labour market needs Original business case CBA suggests approach could generate more than £150m in non-cashable benefits 2013–2020 8,000 additional apprenticeship places by 2020, leveraging £30m local public/private investment

Place	Reported or planned impacts
Suffolk – 'Lowestoft Rising'	Burglary/Anti-Social Behaviour figures down by 25% in 2013–2014 26 outcome indicators used for monitoring programme 9% reduction in emergency admissions April-August 2014
Surrey – Family Support Programme	Programme is being scaled up and expanded to include up to 5,000 families CBA focusing on high value transactions across key agencies estimates +£30m fiscal benefits over 5 years Up to 17 partners working to support families with complex needs
West Yorkshire – Creation of the Combined Authority	2014 Leeds Growth Deal largest in country Plans for 9,000 + new jobs and 1000 news houses to be created by 2021 Up to £370m in public/private investment to be generated

Elements of a 'reform deal' model

Finally, LGA asked RAND Europe to comment on what could be the elements of a 'reform deal'. The concept of a 'deal' between central government and local partners has been applied in recent years, for example, with the City Deals and Growth Deals involving central government and different parts of the country. 'Deals' are seen as a way of trading commitments to delivering particular levels of service or outcomes for devolved responsibilities and freedoms. During our consultations, many saw such deals as essential for taking forward transformation, as well as overcoming many of the barriers and challenges noted in this report. The table below highlights key elements of a 'reform deal' that were mentioned in interviews and our workshop. Annex B provides further explanation of the source of these recommended elements.

Asks of central government	Asks of local agencies
Pooling funding at source around complex issues	Development of clear goals for improved outcomes
Multi-year funding	Evidence-based design of programmes
Encouragement to local agencies of government departments to collaborate routinely	Commitment to data collection and monitoring of performance
Integrated commissioning	Robust governance and decisionmaking arrangements
Removal of impediments to data sharing	Development of an affordable offer
Government support to local initiatives through skills and secondments	Accountable leadership
Avoiding target-driven burden	Commitment to an ambitious agenda of change
	Creativity and innovation

1. Introduction

1.1 Pooling of resources and public service transformation

An important element of the debate about the reform of public services in the United Kingdom is the desire to maximise the benefits to a single place from coordinating the efforts and resources of multiple agencies, and breaking down 'silo' government.[1] This challenge has been addressed for several decades in different ways, including recently with Community Budgets and the Better Care Fund.[2] Such initiatives are based on the belief that the existence of multiple agencies and funding streams is an inefficient and ineffective use of resources, and that a lack of joining-up across providers is a source of frustration to service users. It also leads to organisations pursuing individual goals at the expense of achieving wider outcomes. Interviewees suggested that the consequences of separate budgets included: information not being shared; people receiving duplicate assessments from different agencies; a lack of coordination and continuity of service; and more resource intensive emergency action being taken, rather than earlier preventative measures.

Advocates for collaborative approaches argue that they can have a number of positive effects including:

- Improved outcomes for service users by focusing on specific problems and local needs.
- More efficient and effective delivery by bringing an end to unnecessary activity or duplication of effort, and allowing localities to arrive at innovative solutions to longstanding problems.
- Improved access to resources by coordinating and pooling available funding, staff and information to provide concerted efforts.
- Creating clearer incentives to work cost-effectively and with greater regard for overall outcomes.[3]

Recent interest in collaborative working comes against a background of significant reductions in funding for local public services. Funding to local authorities will reduce by 37 per cent in real terms between 2010–2011 and 2015–2016, affecting different types of authority to varying degrees.[4] In December 2014, the LGA stated 'Savings of £2.6 billion would need to be found from council budgets in 2015–2016, bringing the total since 2010 to £20 billion'. It added that 60 per cent of councils said they would be considering stopping at least some services next year because efficiency savings were no longer sufficient.[5]

Against this background, local authorities and their partners have been considering more fundamental reforms to providing public services. The pooling of resources and closer collaboration are part of this and have received recent support. For example, in 2014

the Service Transformation Challenge Panel concluded 'the current model of allocating funding for public services simply will not work in the face of the continued downward pressure on budgets, growing demand and changing user expectations….We need to allocate spending in a way that: targets outcomes not process; incentivises cross agency working; enables organisations to build services around the person; and, makes changes and decisions for the longer term.'[6]

1.2 Approaches to pooling resources – our case studies

Against this background, RAND Europe was commissioned by the Local Government Association to examine different approaches to pooling resources. Table 1 lists the cases, described in more detail in Annex A.

Place (Reference in Annex A)	Initiative examined	Type	Focus [a]
Cambridge (A)	Managing growth and related demand on public services	Managing growing demand for services through investment and collaboration	I, V
Cheshire West and Chester (B)	Integrated early support	Prevention through collaboration across services	III, IV, V
Cornwall (C)	Integrated care and health provision through service integration	Collaboration with the voluntary sector, and early intervention	II, III, V
Derbyshire (D)	Geospatial mapping and customer segmentation for the public estate	Asset management and customer segmentation to inform service design	III, IV, V
Devon (E)	Local communities identifying and solving service provision	Engaging local communities in the co-delivery of services	III, IV
Greater Essex (F)	Skills for economic growth	Collaboration with employers; 'Payment by Results' mechanism	I, II, III, V
Suffolk (G)	'Lowestoft Rising' initiative	Integrated approach to service delivery to tackle social problems	I, III, IV, V
Surrey (H)	Family Support Programme	Joined up service provision and collaboration	I, III, IV, V
West Yorkshire (I)	Creation of the Combined Authority	Building on the history of collaboration to take a strategic approach to growth and renewal	I, II

NOTE: [a] The five areas of focus for these case studies are: (I) Economic growth; (II) Skills development; (III) Reducing social problems; (IV) Improving use of assets; and (V) Improving service coordination

We have deliberately taken a broad perspective to include examples of pooled budgets, the coordination of resources, the development of collaborative structures and initiatives to bring together partners for public service delivery change, as well as other work to support closer collaboration. By doing this we are able to illustrate different types of collaboration, some of which are more likely to be introduced more quickly than others. The places we examined face a number of common challenges. All are confronted with increasing demand for services at the same time as they are experiencing reductions in available funding. All have concluded that historical service delivery approaches were no longer an option, and that transformation of some kind was needed. At the same time, we identified that the cases vary in a number of ways:

- **Different aspects of service delivery**: including health and social care, skills and vocational training, regeneration, growth, troubled families and asset management.
- **Different stages**: most were at an early stage, although some have built on past work and pilots.
- **Varying scales**: ranging from a Combined Authority of 3 million to a town of 60,000 people.
- **Range of different participants**: including local authorities at all levels, other public agencies such as Jobcentre Plus, voluntary bodies, residents and business.
- **Tackling different challenges**: including increasing local economic growth; skills development; addressing social problems; improving use of assets; and improving service coordination.

1.3 Study methodology and structure of this report

The purpose of this short research project was to highlight a number of examples of public service transformation using a 'pooled resources' approach. Given that many of the initiatives are at any early stage, and in response to the request not to place a burden on participating authorities, we did not undertake a full evaluation of the initiatives. Instead we drew on existing available evidence, which we consider is sufficient to allow us to comment on perceived enablers and barriers to such approaches. Our approach involved:

- Undertaking a literature review to identify key themes in the development of collaborative working.
- Holding an initial discussion, along with a representative from LGA, with each of the authorities to identify a suitable case study. The places were selected by the LGA as ones where relevant developments were considered to be taking place.
- Carrying out interviews and reviewing documentation provided to us for each case study site.
- Additional analysis where quantitative data were available to us.
- Holding a workshop to discuss our emerging findings with representatives of each place. This covered enablers and barriers for success, as well as what elements a 'reform deal' should include.

This report summarises our findings and draws out lessons from the evidence collected. In particular: key lessons from the case studies – enablers (Part 2); Barriers to further progress (Part 3); Creating a 'reform deal model' (Part 4 and Annex B); and Case studies (Annex A).

2. Lessons from the case studies – enablers

The case studies demonstrate a range of different approaches to improving outcomes for local communities, reducing demand on services through early intervention and prevention, and securing savings in the light of reduced budgets. Based on interviews and input from the workshop, this section highlights those factors that appear to be assisting the progress of the initiatives we examined.

2.1 Taking a pragmatic approach, focusing on ends not means

All nine places have developed their own structures and approaches, in response to the objectives and challenges at local level. Some common factors highlighted in our interviews and workshops as helping to take forward developments include:

- The need to **build on existing practice and relationships**: all places appear to be taking a pragmatic and sequential approach, often building on pre-existing projects and partnerships, and integrating existing networks, initiatives and collaborations. **Suffolk (Case G)** is one example of this, where there was already an Alcohol Strategy and a number of mechanisms for connecting voluntary and statutory service providers for drug/alcohol treatment and recovery. In the case of **West Yorkshire (Case I)**, the establishment of the Combined Authority builds on extensive authority collaboration going back several decades.
- **Prioritising early progress and respecting existing boundaries**: approaches to developing agreements on pooling resources and sharing staff time, as well as establishing common frameworks and standards, before the actual pooling of budgets (which may remain a longer-term objective) illustrate this. Given the costs and time demands of integrating structures, and the technicalities it can entail, this approach opts for practical solutions that could be implemented quickly. The **Surrey Family Support Programme (Case H)** involves combining services around 'the customer journey', rather than creating new structures. All the initiatives we examined were multi-agency collaborations, and the pooling of resources and staff time was often undertaken while respecting mutual statutory boundaries and responsibilities, which helped to ensure support from partners.

2.2 Recognising the importance of evidence and data

Enablers focusing on the use of data were observed in the case studies. They included:

- **Gathering evidence to create buy-in across partners**: all initiatives observed were developed on the back of evidence (gathered in the past or at the start of the project). Data enable partners to develop a common understanding of the scale of the issue at hand, and allow for an informed discussion about possible solutions. We saw this, for example, in the use of cost-benefit analysis in **Surrey (Case H)**, which helped secure

support and trust from partners as they could see how savings would be generated and where expected benefits would fall. Participants noted that evidence also helped secure a wider understanding of the contributions of individual partners, and how these were linked to the overall effect on a cohort or community.

- **New ways of combining data to gain new insights and challenge assumptions**: as well as making use of existing data, some case study authorities commented on the value of tailoring and combining existing datasets and different types of data. In **Derbyshire (Case D)**, for example, the combination of data on where public assets are situated and existing services delivered, with customer segmentation data based on socio-demographic data from the 2011 Census and with detailed qualitative information derived from interviews, has formed a valuable tool (Figure 1). Customer segmentation allows agencies to better understand what services are used, where and why. The Suffolk programme '**Lowestoft Rising' (Case G)** is underpinned by 26 indicators to monitor its impact, including data on crime and education. With data available from some other authorities with a wider remit broken down to the Lowestoft-area level, local decisionmakers said they had a more comprehensive understanding of how the initiative is affecting the community.
- **The benefits of the sharing of data**: The importance of shared data in supporting a collaborative approach was seen in the use of integrated case management. In **Cheshire (Case B)**, for example, the Early Support Access Team is able to access databases from partners in order to gain an accurate and complete profile of a family or individual. In **Cornwall (Case C)**, partners are securing consent from users to allow information sharing, so that, for example, non-public sector organisations can make use of NHS records, which helps improve case management.
- **Using data to communicate impact and progress**: the importance of being able to share data and present them in a compelling way was illustrated in **Cornwall (Case C)**, where an infographic summarises developments with the Living Well initiative (Figure 2). This allows all participants to view progress at a glance and was seen as having value in making a clear case to external stakeholders to secure support and demonstrate progress. In some cases, places were able to benchmark their progress across a 'basket' of indicators against performance elsewhere (where interventions were not taking place).

Figure 1: Using geospatial mapping in Derbyshire: customer segmentation

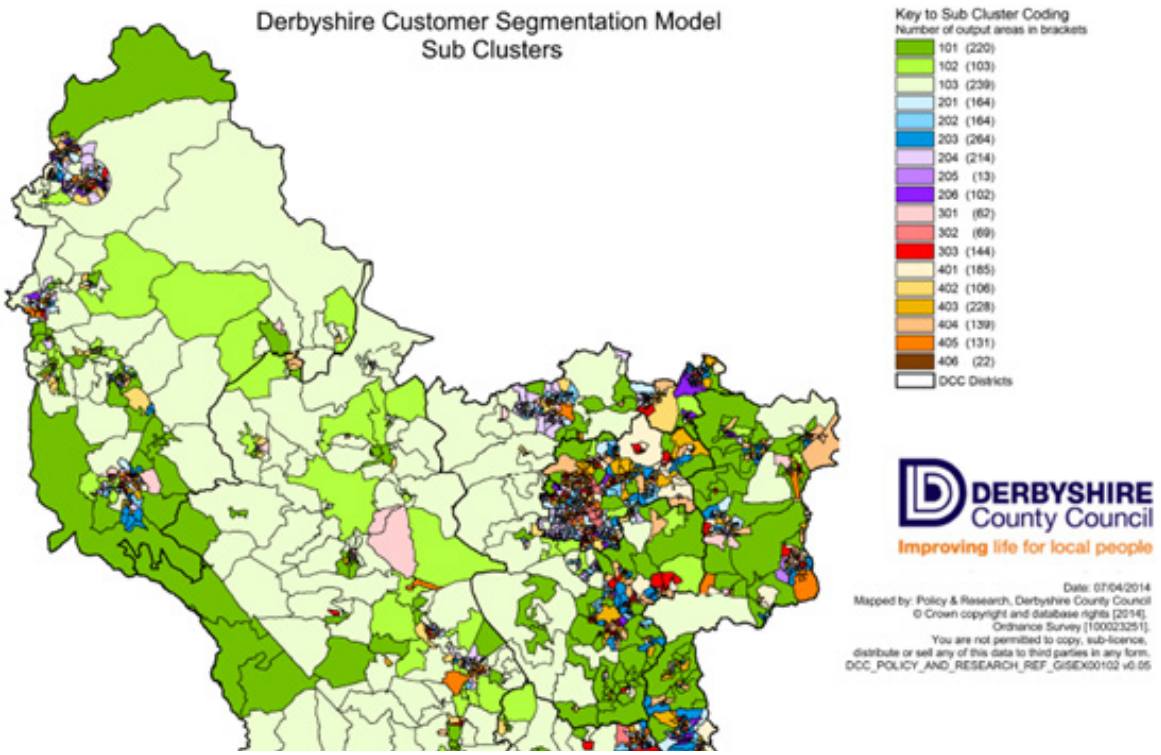
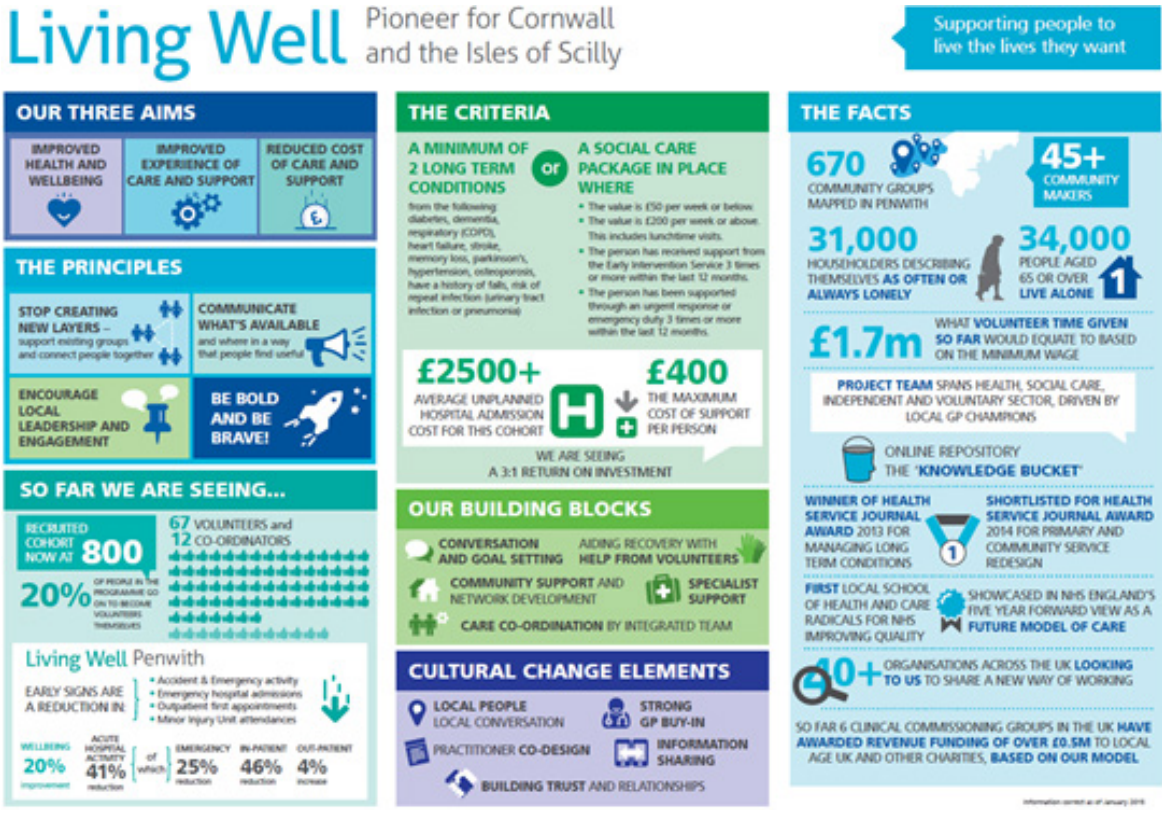


Figure 2: Use of infographic in Cornwall: inputs, outputs and outcomes from Living Well



2.3 Focus on outcomes for residents, rather than inputs or process

A third success factor identified from the case studies is a focus on outcomes for residents, rather than inputs or process within organisations. Examples include reductions in: the number of young people not in education, employment and training (NEETs) in **Essex**; the incidence of domestic violence in **Cheshire West and Chester**; levels of anti-social behaviour in **Lowestoft**; and in emergency hospital admissions in **Cornwall**. A number of points were raised in interviews and our workshop.

- **Shared outcome frameworks and risk management**: such tools provide the basis for considering strategically the overall objectives that all partners are seeking to achieve, and help to link individual contributions to the wider initiative. Some places have chosen to monitor a combined set of outcomes across services that are relevant for the progress of whole cohorts and communities. **Cheshire (Case B)** and **Suffolk (Case G)**, for example, track a wide range of indicators, pulling together existing information on service use.
- **Outcome focus shaping forms of support**: the focus on outcomes also helps to determine organisational design and tailored support. In **Surrey (Case H)**, the Family Support Programme combines services to focus them around the 'user journey', with services brought together in a 'Team Around the Family' approach and with a lead professional to coordinate the agencies involved with a family. In **Cornwall (Case C)**, care delivery has been designed from the perspective of the individual, with a 'guided conversation' with volunteer assistants, which then helps point people towards support. This focus on wider outcomes also came with an increased attention to early intervention, prevention, demand management and having a long-term perspective when designing solutions. In **Cheshire West and Chester (Case B)**, the Integrated Area Support service worked to coordinate interventions to assist families with complex needs.

2.4 The importance of leadership and behaviour change

Changes in organisational culture and behaviour were seen by many of our interviewees as crucial. Examples include more flexible ways of working, looking at problems differently, and an increased willingness to compromise to secure common objectives.

- **Positive and supportive tone set by leaders**: in the places we examined, positive and supportive leadership set the tone throughout the participating organisations. In **Suffolk (Case G)**, for example, this was formalised through the Sponsoring Group of chief officers of the five partners, who made their commitment to the initiative clear by appointing a staff member within each participating organisation. In the **West Yorkshire Combined Authority (Case I)**, interviewees reported strong political support for cross-boundary working, underpinned by a set of common principles that encourage pragmatism, realism, local discretion and learning from experience.
- **Empowering staff**: in places where change is being delivered, interviewees noted the importance of empowering staff to play a role in delivering change. A number of the initiatives are characterised by non-hierarchical approaches, including districts, boroughs and county councils all taking the lead in particular circumstances. The case study of **Surrey (Case H)** highlights efforts to avoid creating new levels of

hierarchy by establishing a framework and protocols for cooperation. This helped staff understand the changes, while acknowledging their existing roles.

- **Encouragement to think and act differently**: all the initiatives looked at longstanding problems differently. Several were designed to spot problems early, such as in **Cornwall (Case C)**, where a risk stratification tool was used to identify those individuals most at risk of costly hospitalisation; and to change unproductive behaviour (such as in **Essex (Case F)**, where major skills gaps have grown up owing to the misalignment of industry needs and training and skills provision locally. In **West Yorkshire (Case I)**, collaboration was based on recognition that competition between authorities was counterproductive, and more could be achieved by working together.

2.5 Changing staff skill requirements and learning from elsewhere

- **Developments in each place are making new demands on skills**: key skills for successful senior leadership were considered by interviewees to be the ability to collaborate and base discussions on the wide-ranging evidence available. An ability and willingness to compromise and negotiate, and to consider cross-boundary issues have been key features of developments in **West Yorkshire (Case I),** for example. In **Devon (Case E)**, different skills were required for proactive engagement with local communities. The use of facilitation skills by 'locality leads' was particularly important in guiding conversations with communities to help address their needs. In **Surrey (Case H)**, staff have increasingly been expected to engage in collaborative working, using new protocols to manage relationships across agencies without introducing new hierarchies.
- **Enhancing staff skills and internal learning**: in some places, interviewees reported that staff feedback was used to adapt processes and collaboration was assessed within performance appraisals. The value of learning from outside the organisations was also highlighted to us. Networking provided insight into other approaches, and cross-fertilisation of ideas was key in **Derbyshire (Case D)**, which adopted customer segmentation work from Hull City Council and the LGA, and in **Cornwall (Case C)**, where external consultancy input was valued.

2.6 Involving businesses, voluntary bodies and communities

- **A clear understanding of the needs of business and communities**: this was seen as vital to tackle the issues identified, as well as the mobilisation of all available resources, including those of the voluntary sector. Where places have focused on economic issues, the role of business was considered crucial. In **West Yorkshire (Case I)**, involvement of the Local Enterprise Partnership as a non-constituent member of the Combined Authority has helped ensure the views of business are reflected in decisions. In **Essex (Case F)**, the Employment and Skills Board is employer-led, and local employers help influence priorities for realigning skills available with needs.
- **The involvement of the service user perspective and community voices**: these two elements were seen by interviewees as helping to ensure legitimacy and to tailor services to actual local need. The **Devon** example **(Case E)** illustrates the power of community involvement where the aim is to transfer responsibility for services

to the community, based on agreed priorities. Several places have taken a broad perspective of community resources, going beyond the public sector. In **Cornwall (Case C),** for example, the Penwith Pioneer programme mapped local needs and skills available across various organisations in the community to provide a sound basis for its plans.

3. Lessons from the case studies – barriers to further progress

This section examines the barriers to further development in public service transformation, drawing on interviews and our workshop. The places examined were chosen as examples of collaborative approaches that were already under way. However, interviewees and participants in the workshop pointed to a number of barriers and challenges that they considered could hamper, or were hampering, further progress. Some of these stem from the fact that all initiatives face challenges associated with attempting to alter longstanding behaviours, tackle complex social problems or transform approaches to service delivery at a time of constrained resources. In addition, there are more specific barriers and challenges to progress. We have categorised perceived barriers into four areas: **relationships; data and information governance; funding and outcomes, and culture and skills.**

3.1 Managing multi-agency relationships

The main barriers mentioned were:

- The **perceived lack of buy-in from relevant central departments and agencies**: workshop participants and interviewees emphasised the need for central government departments to encourage their local agencies to collaborate with local partners and create incentives for them to engage with some programmes. Participants also noted that interaction with several departments simultaneously was difficult, especially where links between those bodies themselves were not already strong.
- **Need for clarity about expectations around devolved powers**: there remains considerable uncertainty around what are deemed appropriately robust governance and accountability structures in devolved arrangements, and what central government expects from places and local bodies in return for greater devolved powers**.** Without resolution of the debate about what a 'deal' should encompass in different circumstances and on different scales, participants in our workshop considered that opportunities for places to innovate to improve outcomes and make savings will be delayed. There is also a concern that government is unrealistic about how quickly change can take place and returns on investment will materialise. This pointed to the need for realism on all sides.
- **Disparate community and voluntary sector**: a number of places highlighted duplication across services, and the transaction costs in coordinating new approaches with a wide range of organisations. A cluttered service provision 'landscape' was also considered to be confusing to service users. In the **Suffolk case study (Case G)**, a large number of community and voluntary organisations work alongside public service providers, but there was a perceived lack of alignment of activities, and a lack of coordination with activities of public sector organisations.

3.2 Data and information governance

In this area, two elements were seen as barriers in our discussions:

- **Data utilisation**: several places we examined in our case studies, for example, **Cheshire West and Chester (Case B)** and **Surrey (Case H)**, built up integrated information management systems, yet availability (particularly in a format suitable to local needs), and use of data remain issues. This is especially the case when data or indicators collected nationally cannot be tailored to local level or when different information systems are incompatible.
- **Specific legislative and practical barriers**: interviewees noted that issues such as data protection and data sharing, as well as access to agency/national systems, etc. remain barriers, and there can be nervousness about how to share information safely. In **Cornwall (Case C)**, difficulties in sharing information to support an integrated health and social care approach has necessitated asking service users for their consent to share information and establishing an information sharing protocol to overcome the problem.

3.3 Mismatched funding and outcome timelines

There are a number of perceived barriers to progress and successful implementation relating to funding.

- **Lack of alignment between national funding priorities and local needs**: those consulted deemed that this could limit the flexibility stemming from additional freedoms for local decisionmaking. For instance, the project to improve the A14 road in eastern England **(Case A)** was removed from central government's priority list. Subsequently, a local consortium refreshed the plans because of its regional significance and secured funding from different authorities. Similarly, securing a better alignment of national and European funding priorities with the local priorities to meet the labour demands of local business was a key element of the approach developed by **Essex (Case F)**.
- The **lack of multi-annual funding cycles**: the uncertainty and short-term perspective resulting from annual funding can create significant barriers to implementing long-term plans based around demand and cost reduction, and long-term benefits. A government focus on annual funding cycles, as well as an emphasis on short-term savings and rapid returns on investment were seen as significant barriers to longer-term transformation. Furthermore, divergence in funding and commissioning cycles can also act as an obstacle to partnership. The need to bid for many **different pieces of funding for transformation from different sources** was seen as time consuming, costly and difficult.
- The **impact of wider reforms**: workshop participants highlighted that local change is sometimes made more challenging by national reforms that affect the context within which local areas are operating. In **Cheshire West and Chester (Case B)**, for example, welfare reform was changing the landscape and making it more difficult to estimate how demand (and therefore, cashable savings) for early intervention support would develop.

3.4 Different working cultures and skills

Both interviewees and workshop participants emphasised a range of less tangible factors that are challenges for those restructuring local service delivery.

- **Scale and variety of partners**: in partnership arrangements, diverse organisational cultures that are not aligned were seen as likely to slow or block the early implementation of multi-agency approaches. The number of organisations involved in some of the initiatives, and the variety of different types of public, private and voluntary bodies that need to come together are both significant challenges that need to be managed, and which can be time consuming. Different bodies have different ways of working, and different priorities and agendas that need to be reconciled.
- **Skills shortages**: some interviewees mentioned that staff can lack the skills to set up and engage with new ways of working (notably in applying new analytical tools), which can impede the delivery of new approaches to public services. They reported a lack of funding to train staff, and, owing to budgetary restrictions, staff seldom have the capacity required to build up longer-term cooperative approaches.
- **Limited opportunities to exchange knowledge**: the lack of platforms to share lessons in a way that can directly affect processes and structures was also mentioned, as well as limited and ad hoc opportunities for external networking to test approaches with a wider audience for improvement. Different groups have their own networks and LGA and others disseminate insight and experiences, but knowing what is happening and ‘what works’ remains a challenge.

4. Creating a ‘reform deal’ model

As part of our work, we consulted on how a ‘reform deal’ could assist public service reform, and what elements it should contain in terms of commitments from both local areas and government authorities. The concept of a ‘deal’ has developed in recent years; from 2012 onwards, for example, City Deals were agreed with some of Britain’s major cities. They are tailored packages of budget and decisionmaking powers, devolved to individual authorities or groups of authorities. They have an emphasis on outcomes and accountability for delivery, and contain commitments from both sides. These can take the form of a promise for return on investment over a given period, while ‘asks’ of government may relate to government support (from access to civil servant time or specific funds, to asking government agencies to help implement specific policies).[7]

Many we spoke to saw such deals as essential for taking forward reform, as well as tackling many of the barriers discussed above. Such a model was seen as offering flexibility at the local level, while providing central government with reassurance and clarity on how public resources will be used to achieve clearly defined outcomes. We start with recommendations from our interviews and workshop for commitments from central government, followed by those from local places. The broad headings could be applied for deals on different scales that take account of varied circumstances such as we have seen in the case studies.

4.1 Commitments from government

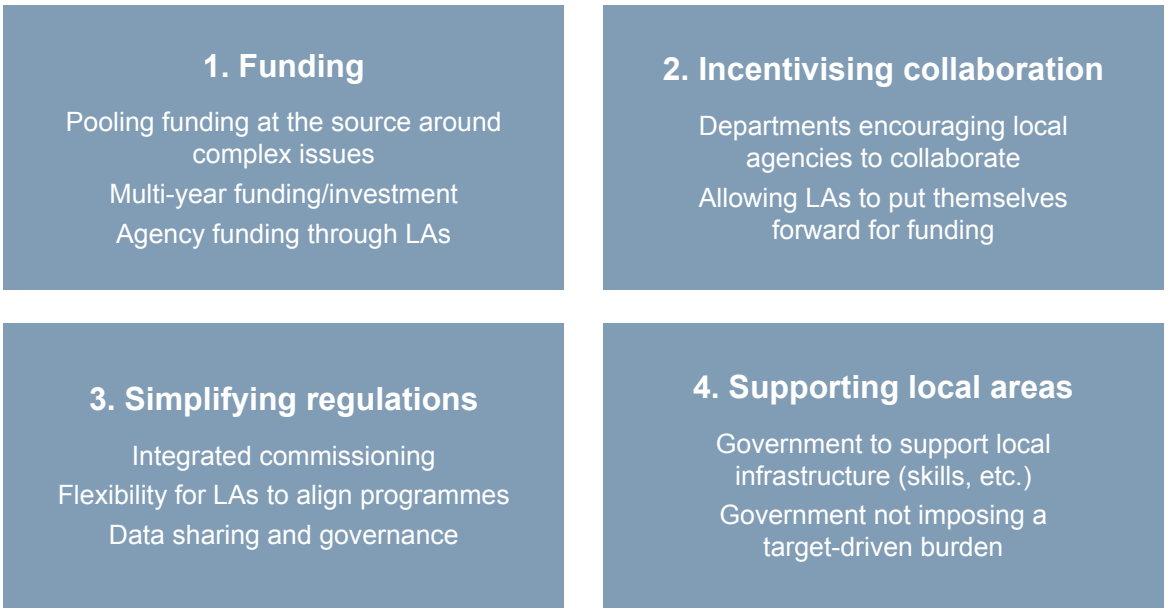
Government commitments in a potential deal with local areas can be brigaded under four categories. These consist of: **funding, collaboration, regulation and support (Figure 3)**.

1. Funding plays a central role in government’s commitment

The first ‘ask’ is for central government to facilitate the task of local authorities by **pooling funding at source**, to focus resources around complex dependencies and needs. The Better Care Fund has already enabled authorities to pool budgets and to shift resources into a variety of services.[8] Similarly, there was a desire for funds currently used for local community development to be joined up to create a single community development team or unit in each area to tackle community issues.

Another important ‘ask’ related to the **continuity of funding** and the potential for **multi-year investment deals**. Multi-annual funding was deemed crucial for making investment upfront to help with demand reduction and the improvement of specific outcomes in the longer term.

Figure 3: 'Asks' of central government



A related demand relates to **direct funding to local areas**. Funding – and to an extent, decisionmaking – coming from Whitehall departments to specific government agencies should be devolved to places where they are able and willing. It was put to us that obtaining specific funding, rather than support from central government, could have enabled authorities to have taken projects in a different direction, and would also mean fewer instances of local areas having to devote resources to developing bids to secure separate pots of government funding.

A related point is the **flexibility in using locally controlled or generated funding**. This demand stems from what is seen as the lack of alignment between local priorities, rigid funding processes and the statutory roles of agencies, which limit the extent to which central government can be involved in local agendas. There needs to be more freedom for places to make use of locally derived resources, for example, using receipts from surplus public sector assets, identified through exercises such as that seen in Derbyshire.

2. Collaboration between local and central government

Attendees at our workshop felt there should be a **presumption in favour of central government participation** in making local initiatives work. A 'deal model' should encourage and incentivise collaboration and partnership, rather than a focus on meeting single body objectives. Where participation of a government agency is seen as crucial or beneficial to success, there should be a strong steer from central departments to local offices to participate in local initiatives, and this should be built into their plans, so that it cannot be considered an add-on to core work. In some cases, local offices' involvement takes place as a result of individual initiative. Where these are seen as valuable, lessons should be disseminated more widely to encourage replication.

A second ask is the **need for government to engage with authorities on a collaborative basis**. This can be enabled by letting local authorities find partners in advance, develop an approach and put themselves forward for funding. This approach

contrasts with the practice of being invited to bid for funding, or having to complete an Expression of Interest.

3. The potential for regulatory and structural changes

Interviewees felt there is need to **simplify regulations** to remove obstacles to progress with transformation. This would provide local areas with the flexibility to align programmes better. Specific examples included the Department for Communities and Local Government's Troubled Families programme, which features constraints on how funds can be shared across local authorities. Another important area for simplification and clarification is data sharing between different organisations, which would require new legislation, but would have a major impact on monitoring and evaluating outcomes. Another area for amending regulation was commissioning skills and employment programmes, where interviewees mentioned there was a need to simplify current statutory assessment and planning requirements.

4. Support from central government to local areas

Workshop participants acknowledged that 'government can enable, support and reward' public service transformation. Government was asked to provide **targeted, experienced input** to assist with service design, capacity building and knowledge transfer. For instance, **Devon** found support from Cabinet Office colleagues valuable when setting up the Delivering Differently approach. **Cheshire West and Chester** emphasised the benefit of obtaining support from secondees from the Cabinet Office in setting up their Community Budget approach. Having a secondee from HM Treasury has been useful in **Cambridge**, particularly in becoming better acquainted with central government expectations.

A final ask is to avoid a **target-driven burden** associated with reporting mechanisms as part of any devolution of powers and responsibilities. There should be a trade-off between proper accountability for the effective use of public funds to HM Treasury and government departments, and ensuring that innovation is not stifled, and that government does not require centrally set reporting of indicators of performance that does not also meet the needs of localities.

4.2 Commitments at local level

There is general recognition that local areas must make appropriate firm commitments to central government as part of the deal approach. It is also acknowledged that a deal is heavily dependent on the building up of trust between all partners. Commitments at local level can be grouped into four categories: **a focus on outcomes and efficiency, taking an evidence-based approach, governance and capability, and accountability (Figure 4)**.

1. An explicit focus on outcomes and efficiency

To be entrusted with further responsibilities and funding, and in line with the previous 'reform deals' structure, local partners would be required to **commit to clear and specific outcomes**, with obligations attached to funding. Such outcomes could, for

instance, include increases in savings, and improved outcomes for residents (where applicable, and measurable). In short, there should be a clear framework of accountability with a degree of operational flexibility, so that all are clear what is planned.

Where appropriate, a major commitment from local areas in terms of outcomes could be a **clear commitment to accelerating growth** in the area, which could underpin the deal. Participants in our workshop and interviewees highlighted that this is clearly a major concern for central government and is fundamental for public service reform at a time of constrained resources. Places should look to **report progress on the basis of appropriate measures**. While indicators in business cases (such as delivery to time and budget) can be measured and directly linked to activity, specific increases in the number of jobs, or Gross Value Added, are not entirely dependent on the efforts of places, and may be harder to use as suitable indicators. An additional layer of complexity is that some of the outcomes resulting from services delivered locally may be realised over long periods of time, or are difficult to measure. This in turn could jeopardise scrutiny, and would need to be addressed in a deal. Nevertheless, there should be a commitment to places reporting on outcomes, rather than more 'bureaucratic' process improvements or outputs.

Figure 4: 'Asks' of local government

A **particular strength** of many local authorities is **community engagement** and there should be an expectation of developing and measuring this under any deal as part of building resilience in communities. Commitments to engaging with local service users and measuring 'democratic' outcomes (for instance, turnout at elections) achieved through more resilient communities and engagement with excluded communities appears to form a promising set of commitments. Places like Cornwall and Devon noted that their approaches already relied heavily on community engagement. Similarly, resilient communities or the level of community engagement in a specific local programme could form a measure of success for increased funding and flexibility from the centre.

2. The importance of evidence and data collection

An important expectation of local areas from central government is the **commitment to robust evidence collection and use**. There should be an expectation that the design of integration or community programmes be based on the best available evidence. A second and related demand on local government is to do with **data collection and monitoring**, especially given the focus on outcomes that the deals could display. The dissemination of findings or data relevant to other authorities could be a valuable addition to this so as to facilitate the sharing of experiences and knowledge.

Linked to this, a deal should include an **explicit commitment to continuous improvement and learning**. This may include, for example, continuous assessment of the need for particular public assets and rationalisation where redundancy is identified. It might also include a commitment to dissemination of lessons learned and good practice.

3. Robust governance and capability

A number of our interviewees felt that government will only have the confidence to devolve responsibilities where there are robust governance arrangements and structures in place to manage new powers. New ways of working involving collaboration can be vulnerable to disagreement over priorities or a lack of clarity on common objectives. Local areas should **prepare plans for effective governance structures and accountability mechanisms** and be able to demonstrate how they will be resilient and well governed. Such plans could include how collaborative work will operate effectively, including risk management arrangements, principles for cooperation such as those agreed in **West Yorkshire**, and escalation processes for the resolution of difficulties. There should be clear commitments on **engagement with relevant stakeholder groups**.

4. Ensuring accountability for better delivery

A critical element of the deal, alongside robust governance, will be the need for **clear accountability**. Scrutiny at the local level is necessary to ensure that no ‘democratic deficit’ occurs. Beyond public accountability, other mechanisms could include formal processes such as a light-touch audit approach to ensure adherence to agreed partnership rules. Gateway-type reviews could also be a useful way to assess progress, while possibly being used to trigger further flexibilities as a result of achievement of results.

Our workshop discussion also raised the idea of an **assurance framework to better deliver on accountability**, and ensure central government buy-in and confidence to empower local places. The aim of these frameworks is to provide reassurance that value for money and risk management are enshrined into the programme, and that clear criteria are used to measure performance against expectations. The example was given of the Bank of England Act 1998 which commits the Governor to writing a letter to the Chancellor to explain why inflation declines or increases, and the proposed course of action to bring it back on target.[9] A similar approach might be appropriate.

A component of accountability is **ambition and creativity**. By committing to experimenting with new approaches, powers and funding streams, local areas should be willing to develop ambitious agendas for which they can be held to account.

Annex A. Case studies

Annex A contains nine examples of different approaches to pooling resources. The places were chosen by LGA and the specific initiatives examined were put forward by the local authorities involved in the project. They were selected to cover different services including health and social care, skills and vocational training, regeneration, growth, troubled families and the management of public assets.

In the time available, RAND Europe was not able to carry out full evaluations of the initiatives, and was asked not to place undue burden on participating bodies. This, and limitations on the availability of quantitative and financial data where projects were at an early stage, restricted our analysis of the impact of developments.

A: Cambridge – Managing growth and related demand for services

Reported/planned impact

2014 City Deal worth **£500m**

£500m of local investment

Job creation planned by 2031 – **45,000**

Background

This case study focuses on growth management and collaboration in the Cambridge area. Greater Cambridge (the area covering Cambridge city and South Cambridgeshire district councils) has developed as a cluster for technology and services over a period of 50 years. This success story was labelled the Cambridge Phenomenon by the *Financial Times* in 1980, as a result of the city capitalising on strategic growth and creating what is now a £13bn economy.[10,11,12] Since 2005, the population has grown by 15 per cent and over the next 20 years, over 25 per cent growth is expected, leading to the planned creation of 45,000 jobs and construction of about 34,000 new homes by 2031, according to the Local Plans.[13] In addition, travel demand is expected to continue to increase around 40 per cent for the Cambridge city region.[14] Partners have worked together to plan and manage the increasing demand for services, in particular, through developing a Transport Strategy for Cambridge and South Cambridgeshire to propose creative solutions. The Strategy includes proposals for demand management, notably by aiming for an increasing number of journeys to be made by train, bus, bike or on foot rather than using cars.[15] The focus of this case study is on infrastructure planning.

The aim of greater collaboration is to improve accessibility across the City region, especially between areas where growth and employment are planned, further enabling the 'clustering' effect to develop. It is also designed to help prevent growth slowing as a result of inadequate infrastructure, while maintaining the highly prized quality of life in the area and managing travel to and from the city. Preparing for the future has built on the county's tradition for collaboration, which has seen a long and strong tradition in strategic planning, including recently establishing a Cambridgeshire and Peterborough Joint Strategic Planning Unit (JSPU), with a clear understanding that coordinated growth has been a longstanding priority.[16] At the same time, managing services differently has become crucial as the county needs to make more than £148m in savings over the next five years.[17]

The growth strategy in Cambridge

Work on the growth and development strategy for the area has involved partners, including the city and district councils and the county council, the Local Enterprise

Partnership, and Cambridgeshire and Peterborough Public Services Board working together on planning for infrastructure needs for the longer term.[18,19] This work has helped to underpin the Strategic Economic Plan, developed by the Greater Cambridge/Greater Peterborough Enterprise Partnership.[20]

The desirability of county and district level coordination, notably through Core Strategies to plan the infrastructure needs of communities and business, was the impulse for partners to create the Cambridgeshire and Peterborough Joint Strategic Planning Unit (JSPU), which works on behalf of all authorities in the Cambridge and Peterborough areas, and whose team of two is based at South Cambridgeshire District Council offices. The unit aims to provide support on evidence and policy development for Local Plans, with a focus on strategic growth for the area. A joint Strategic Planning and Transport Member Group for Cambridgeshire and Peterborough steers the work, and partners aim to ensure an integrated approach for transport and strategic planning for the wider area.[21]

A feature of the Strategic Spatial Priorities and the Long Term Transport Strategy in Cambridgeshire has been the focus on the growth corridors and market towns of the county. Partners have intentionally sought to spread the benefits of growth to other areas beyond the city region, ensuring greater accessibility, notably to support continued economic prosperity and help address pockets of deprivation. Thus, the aim is that surrounding areas such as North Cambridgeshire, Ely, St Ives and Huntingdon benefit from growth.

It is worth noting that implementation of their growth strategies is still in its early stages. For the Cambridge area, investment from the City Deal (see below) will help in unlocking and facilitating that growth. A further step is to develop a single Local Plan for the Greater Cambridge City region from 2019 onwards, as a step towards the development of a Combined Authority for Cambridge City and South Cambridgeshire, as well as Cambridgeshire County Council.[22]

Demand for services and collaboration

The most significant example of collaboration between partners to manage growth in the area is the recent Cambridge City Deal.

The Cambridge City Deal

The Cambridge City Deal brings together partners including Cambridge City Council, Cambridgeshire County Council, Greater Cambridge Greater Peterborough Enterprise Partnership, the University of Cambridge and the South Cambridgeshire District Council. The main focus of the City Deal is the improvement of transport capacity via the creation of key strategic corridors to and from the city, to connect the ‘cluster’ with employment and housing hubs. In 2012, Cambridge was invited to submit a proposal for a city deal for Greater Cambridge (Cambridge and South Cambridgeshire, in other words, the ‘travel to work’ area). The initial proposal suggested that borrowing could help make up for the estimated infrastructure deficit of £1bn, and pointed to the integration of growth levers (transport, strategic planning) into a combined governance framework akin to a Combined Authority. Finally, a ‘GainShare’ mechanism was sought by local partners (albeit unsuccessfully), by which the area could keep a share of any additional tax

revenue resulting from economic growth. This represented the preferred approach locally, given that it would enable a greater share of the proceeds of growth to be retained and invested in supporting the growth and ongoing prosperity of the area, with more freedom to decide on priorities locally.

The final Deal, awarded in 2014, is seen as a step change in investment for the area, where some £500m investment is guaranteed by government over the next 15 years (providing certain 'triggers' are met after 5 years). Combined with about £500m worth of local investment from partners, it is hoped that this will help to deliver transformative improvements to the transport network to provide a more networked and interconnected city, and to help unleash the next phase of the 'Cambridge Phenomenon'.

Greater Cambridge partners are now undertaking a programme to enhance transport capacity in the area. This capacity is needed along key strategic corridors to and from the city (particularly along those corridors where significant new housing or employment growth is planned), as well as within the built-up area of the city. Development of the sustainable transport network is seen as necessary to strengthen the employment hubs and high tech clusters in Greater Cambridge by making movement between them more straightforward, efficient and convenient.

As part of the City Deal, partners will be pooling budgets to support delivery of the programme aims and fund non-project related activities such as central coordination and economic assessments. Pooled resources may include the New Homes Bonus, the Community Infrastructure Levy and the Local Transport Plan Grant. Partners plan to review the amount, and use of, pooled funds annually, to allocate resources on a six-monthly basis, and to monitor progress quarterly.[23]

The Deal brings partners together and aims to link with community hubs to join up public service delivery. As such, the Cambridge City Deal builds on the history of collaboration between partners, exemplified by initiatives such as the 'Making Assets Count' partnership (MAC). This involves 11 public sector organisations in the county seeking to reduce the cost of occupying property by using their combined property portfolio, with a view to generating 20 per cent revenue savings, and improved services.[24,25] It also builds on community engagement initiatives such as 'Shape your Place Cambridge', and public service collaboration initiatives like Cambridgeshire Public Services Network, which has generated cost savings of more than £1m a year.[26,27]

Next steps include testing and evaluation relating to the Deal. To unlock the final £400m funding over the next 10 years (beyond the original £100m in five years), the city region will need to meet specified 'triggers'. These milestones relate to the delivery of improvement schemes for the transport network in support of growth, economic appraisals and the establishment of appropriate governance structures. In addition, the local authorities will need to finalise their programme of work and undertake economic assessments of proposed investment schemes and rank them by impact of economic benefits such as on housing, growth, etc. The aim is for the partners to begin investing in projects that deliver the greatest economic impact over 15–20 years, commencing in 2015–16.[28,29]

The A14 improvement

Another significant example of collaboration includes the consortium set up to improve the A14 between Huntingdon and Cambridge. The A14 is considered a major investment in terms of infrastructure needed to bring about Northstowe (a new town of up to 10,000 homes). Linking the East-West of the county, it serves as a Trans-European Network route. This project was removed from central government's priority infrastructure projects, as it was deemed unaffordable. This led to the formation of a consortium including participants from Cambridgeshire as well as others located in Essex, Hertfordshire, and Suffolk.[30] The consortium worked with the Department for Transport and Highways Agency to review and refresh plans for the A14 taking a 'whole route' approach, and held discussions on local contributions from each authority. This resulted in a £100m local contribution package being made towards the £1.35bn scheme, which helped in successfully lobbying government to reinstate the A14 upgrade as a priority.

Lessons from Cambridge on growth management and collaboration

Several lessons can be drawn from the Cambridge experience:

- **The power of early planning**: Cambridge's successful history of collaboration, ultimately leading to the City Deal, built not only on earlier examples of engagement among partners and with the community, but also on past experience of early and a more strategic approach to planning for growth.[31]
- **The importance of seeing the 'bigger picture'**: part of the area's success stems from the realisation that the broader challenges, investment and leverage required to ensure future growth could not be dealt with by a single level of government. The joint planning structure was implemented between various levels, and partners formed wider coalitions for specific purposes such as improvements to the A14.
- **The need for evidence**: at all stages of the planning process across various levels, significant data collection and analysis exercises were undertaken by the local authorities around Cambridgeshire, ranging from forecasting to economic assessments. This highlights the importance of data analysis in demonstrating the robustness of proposals to government, and the sustainability and value for money of subsequent investments, notably in infrastructure.

B: Cheshire West and Chester – Integrated early support

Reported/planned impact

Total benefits of intervention expected to be **£13m by 2017-2018**

13% reduction in Children in Need cases since October 2013

Cashable savings built into 2016–2017 budget – **£570k**

Background

Experience and evidence at the national level show that changing the situation of a relatively small number of individuals and families with complex needs can help them, as well as yield significant financial and social benefits, and reduce demands on public services. Using the definition of the national Troubled Families programme, 525 families with complex needs were initially identified living in the West Cheshire area. They were considered as having a disproportionately heavy impact on budgets and service demand. In addition, West Cheshire had over 1,100 domestic abuse incidents and over 13,800 anti-social behaviour (ASB) incidents in 2013–2014, as well as an out-of-work population of over 18,000 (9 per cent of those of working age). Many of these cohorts overlapped.[32]

Integrated Early Support (IES) in Cheshire West and Chester (CWAC) is a multi-agency approach designed to provide coordinated support for families and individuals with complex needs. They receive help below the threshold for acute or statutory services from more than one agency, before problems escalate and put a higher demand on services.[33] While improvement of performance against key outcomes for children, families and vulnerable victims of domestic abuse is an integral part of the programme, it also attempts to improve practice, decisionmaking and safeguarding by spotting and managing risks early on.

Approach

The services many individuals and families with complex needs receive are often fragmented and reactive; in some cases, families receive over 200 interventions over a 12-month period from a wide range of agencies and services.[34] In the past, services have too often reacted to problems rather than prevented issues before they can occur and/or escalate.[35] IES seeks to address this fragmentation, combining three previously developed business plans. These are:

- Families Together – which is the local response to the national Troubled Families Agenda.

- Early Support – for children and young people 0–19 years of age.
- Safer Communities – a partnership approach to tackling domestic abuse.[36]

Why has the approach been established?

The IES approach is based on a wider set of lessons of what is important in order to reduce demand on services while improving outcomes for cohorts of people. While it therefore operates below the threshold of social care and is not an emergency response, IES is also aimed at 'stepping down' cases that have previously been managed by acute services, thereby preventing a re-escalation and reducing pressures on these services. The approach can also help to ensure that people at risk are not further removed from economic and social activity.

What is the target group?

The approach provides wider support for families stuck in a cycle of low achievement and inter-generational poverty. Children can be supported up to the age of 19 (or 25 in case of special educational needs/disabilities), including children in care, children in need, young people at risk of exclusion and young people in the criminal justice system. The approach is furthermore tailored to addressing issues that arise at transition points during childhood, such as commencing or moving school, following changes in family circumstances, or after traumatic events. Additionally, it is designed to address the causes and impact of domestic abuse, focusing on a cohort of victims and known perpetrators.

How does it work?

The approach comprises innovative ways of supporting families and individuals in addressing their needs:

Any service worker in the CWCC area who has a concern about a family, child or individual with complex needs that require a multi-agency response can contact the Early Support Access Team (ESAT) which represents a 'single front door' for all services and can help to coordinate a response.[37] ESAT is an integrated, multi-agency team that can access databases from partners in order to develop a 360° case profile of the family or individual concerned. ESAT will then direct cases to the right form of support. The 360° case profile and recommendations will also be forwarded to the Locality Case Management Group (LCMG).[38]

The LCMG consists of managers from a range of agencies, which meets weekly in order to assess the referred profiles. Based on the review, they will make a decision on which agency within an Integrated Early Support Case Management Team will take the lead for the case. The Team consists of frontline staff from a range of agencies that work together as a Team Around the Family (TAF). They operate out of Children's Centres and coordinate interventions across organisational boundaries, increasingly using a common case management system. [39]

A menu of specialised and evidence-based intervention programmes underpins the work on each individual case, addressing issues such as support for domestic abuse victims,

perpetrator tagging, parenting and young carer support.[40] The Case Management teams therefore link up (among others) Health Visitors, CWAC Children's and Young People's services, police officers, housing specialists, practitioners working on domestic abuse, as well as Benefits Teams and Family Advocates.[41]

The approach has been mainstreamed through awareness raising and consultations, including a TAF training programme that has been rolled out to over 1,500 practitioners across partner agencies.[42]

What resources are needed?

The new delivery model requires an annual investment of about £8m, of which £7m is for case work or support staff employed by partners. The Early Support Access Team has about 11 full-time equivalent staff across all partners, and the casework teams have about 185 multi-agency staff across the three localities, with the Council providing approximately 80 per cent of the staff resource.[43] The majority of funding has been in place before, and comes from local partners, but CWAC secured additional investment from across the partnership in order to commission new interventions. The Council also secured a transformational challenge award bid of £5m for replicating the IES model on a bigger footprint (covering several regions). On the back of that, robust evaluation frameworks will be developed across all areas involved.

How is success measured?

The model's wider outcomes are broadly aligned with the expanded troubled families programme and include: improved school attendance; reduced crime and anti-social behaviour; improved money/debt management; stability of housing tenancy; children and vulnerable adults feel safe (linked to domestic abuse); improved family stability; improved health and wellbeing; and progress towards work. Metrics for measuring demand on services include reduction in Children in Need (CIN) numbers in the Borough and associated caseloads at level 4 social care; increases (in the short to medium term) in the numbers of level 3 TAF cases; reductions in repeat offending for the domestic abuse perpetrator cohort; and a reduction in repeat referrals to MARAC (high risk domestic abuse panel) for the cohort.[44]

Based on the original cost-benefit analyses undertaken by the West Cheshire partnership for all three programs (Early Intervention, Families Together, and Living Well), the overall benefit-cost ratio for the three combined programs was 1.56, which means that policymakers can expect £1.56 in benefits for every £1 spent. It is worth noting that the programme as it was implemented differs from what was planned in the CBAs. However, the new program is a combination of all three interventions, and could be expected to achieve a similar return on investment. A multi-agency group made up of staff working on finance, performance and implementation are adapting the IES model based on information resulting from evaluations and monitoring. Furthermore, staff surveys have been used to spot gaps in commissioning help to identify where interventions make a difference or where further support is needed. For example, an outreach health programme was commissioned based on staff feedback.

The set of indicators is based on existing measures captured by agencies, combined

with new measures around processes and turnaround times of the integrated case management system. Cohorts directly supported through the model are tracked in order to measure demand reduction and developments along the existing measures that partners already capture. While it is difficult to monitor all developments, measuring indicators on cohort level pre- and post-referral helps track demand. Qualitative analysis and in-depth case studies are further used to highlight changes in individuals' lives. Evaluation and performance management is coordinated at Council level. Partners (police, probation, housing, etc.), working with cohorts, track the respective metrics that matter to them and collate the data remotely. They develop their own reports that feed into a combined aggregated reporting.

Outcomes and benefits realisation

While the IES model is fairly new (it was launched in October 2013), early benefits are reported, partly attributed to the new multi-agency approach. For example, the proportion of inappropriate contacts to the Contact and Referral Team that should have been through IES reduced by 23 per cent between September and December 2014, suggesting improved awareness of the thresholds between levels 3 and 4. Furthermore, Children in Need (CIN) cases have reduced by 13 per cent since IES was introduced. Total benefits of the intervention are expected to be £13m by 2017-2018. [45]

Cheshire Constabulary provides cohort-specific information relating to crime and arrests, which shows, that there has been a reduction of 10 per cent in the number of occurrences of crime that the cohort have been involved in, and an 8 per cent reduction in primary arrests (comparing data for the cohort before joining the scheme in April 2013 to January 2014, with data after joining in February 2014 to October 2014).[46] While other factors beyond the IES scheme could have affected these numbers, raising issues of attribution, data from a dip sample of individuals from the cohort showed a demand reduction of over 70 per cent for those cases referred to the Police as part of the Case Management team. Data for the cohort in the Navigate Safer programme (which deals with domestic abuse perpetrators) showed a reduction in offending of between 46 per cent and 62 per cent.[47]

Cost benefit analysis (CBA) was undertaken for the three business cases that originally comprised IES in late 2012, and the model went live in 2013. The original CBA projections will be reviewed soon, based on the model's current inputs and benefits. While priority has been given to measuring performance and demand reduction for services, cashable savings of £570k have been built into the Cheshire West & Chester Council budget, to be realised in 2016–2017.[48] Work is also underway to better utilise the CBA methodology and the national unit cost database to monetise reporting.

Barriers

There are a number of barriers to progress with the new model. Interventions that are local and do not have national unit costs associated with them are particularly difficult to monetise, especially when service providers receive block contracts or do not have capacity to measure success at unit level. Identifying the degree of cashability per intervention is also a difficult task and often not a priority for partners trying to get the model off the ground first. While it is possible to track demand reduction and cashable savings through unit costs, as well as building some realistic efficiency savings within

budgets, there is a degree of uncertainty around prolonged, measurable demand reductions.[49] The influence of external factors can make it difficult to estimate how demand (and therefore related cashable savings) will develop. Welfare reform, for example, has a wide impact on partners' ability to project future budget savings.

On the other hand, impacts and cashable savings cannot be secured in the long-run unless investments are made upfront. Support for the model cannot therefore be based merely around future projections of benefits realisation, but requires political support. Legal barriers to sharing information are also an issue, and the number of partners involved in the model can present a barrier since it can make them slower in adopting to change. Another issue is the remits of providers, which can sit across multiple council borders, while Departments and local agencies might be not in a position to commit to investments on the local level because of national factors.

A further barrier is linked to the need to secure additional new investment, particularly when commissioning new interventions. Currently, partners are only able to commit new funding on a short-term basis (typically annually), which needs to be managed against the possibility of awarding longer-term contracts. Additionally, while a number of outcomes and reductions in demand on services will be evident in the short term, a number will materialise over the longer term, and therefore the length of financial payback against an initial investment will take longer.

Lessons learned from Cheshire West and Chester

- **Gradual developments based on an increasing amount of evidence can change organisational cultures**. The first round of investment was based on a theoretical business case including a CBA, while the second round was based on actual information on cost and indicative demand reductions. The ethos of the approach is to build on what already exists (and not to create a new approach), and use one that works parallel to the main established business processes. Buy-in from senior leadership and ownership across partners, as well as secured investment from partners, shows commitment and binds partners to the model.
- **Evidence is crucial to developing a common understanding and collaborative working**. This includes not only building up an evidence base, but also using the process of collating the evidence to shape a common understanding across partners of the scope of the issues at hand, as well as the adequate design of the response to these issues. Furthermore, applying evidence-based interventions provides measurable outcomes and thus contributes to building up trust of partners in the effectiveness of the new approach, increasing their buy-in and willingness to invest.
- **Key systemic changes have improved the ways partners work together and exchange information.** Integrated case management is used in order to track and coordinate the interaction of cohorts with services, as well as collecting life information around metrics where possible. The 360° profile, which pulls information from a number of partners feeding into the integrated case management system, has improved the quality of the service.
- **Focusing on demand reduction in the early stages enables partners to move forward with implementation because it builds on incident measures that are easier to track and can build on partners' existing processes for data collection**.

However, it is assumed that indicators designed to track demand reduction can also reflect outcome improvements for the cohort. While this is a pragmatic approach, it needs to be treated with caution. Further verification of the assumed linkages is sought through qualitative insights via in-depth case studies and surveys.

C: Cornwall – Integrated care and health prevention through service integration and demand reduction

Reported impact of pilots

30% – fall in emergency admissions in Newquay

40% fall in long-term conditions admissions

20% – rise in reported well-being in Penwith

This case demonstrates the value of early intervention, collaboration and effective use of data in achieving demand reduction and longer-term outcomes.

Background

The case study specifically examines the Living Well programme for prevention, early intervention, and collaboration between health and social care services to improve public service outcomes. The aim of the programme is to organise service delivery around individuals (as opposed to delivery focused on organisations themselves).

NHS Kernow, Cornwall Council and the Health and Wellbeing board cover the same operational area, which helps facilitate health and social care integration programmes. The broader public service transformation agenda in Cornwall, as defined by the Public Sector Group Work Plan, revolves around five core themes:[50]

- Financial inclusion, with partners (DWP, JobCentre Plus, etc.) tackling deprivation in the 'Cornwall Works' programme by supporting individuals to get back into the labour market.
- Integration, early intervention and prevention through initiatives such as the 'Together for Families' programme and the 'Living Well' programme, both of which aim to work with individuals with complex needs and to understand whole-system impacts.
- Public services workforce transformation, working across public sector services and equipping staff with skills needed to take forward service integration.
- Digital strategy, working together as coherent public sector which is digitally integrated.
- Joining up public sector assets within the One Public Estate programme. This includes government agencies coming together in six key towns in Cornwall to collaborate on co-location and reinvesting capital receipts.

The Living Well programme in Cornwall

Through the Living Well programme, Cornwall is one of 14 'Integrated Care and Support Pioneers' designated by the Department of Health in November 2013. This has been hailed as a 'quiet revolution'.[51,52] Living Well builds on previous work undertaken by the voluntary sector in Cornwall, notably the Changing Lives approach, which sought to place individuals at the core of local commissioning and delivery.[53] This approach was designed following data collection with over 1,000 individuals and 40 organisations in Cornwall in 2009–10. The main findings pointed to a lack of connection across services, and the desire of many people to be involved in decisions about their health, and to obtain information in ways that were most useful to them.[54] In designing Living Well, international examples (from Scandinavian countries, the United States, etc.) were also examined.[55]

Cornwall's work in this area has been piloted through two projects, where the main concern is to help frail or vulnerable individuals to 'live the lives they want, to the best of their abilities' (Age UK, 2014).[56]

- The *Newquay Pathfinder* proof of concept pilot concentrated on improving the quality of life of elderly individuals in Newquay, partly to lower dependency on health and social care services, and demand for hospital admissions. To do this, the team identified morbidity factors that were amenable to change through behaviour modification, leading to reduced clinical demand.[57] In short, the programme focuses on service integration and demand reduction/management to avoid individuals moving into acute services. Evidence from the pilot was used when applying for Pioneer status with the Department of Health.
- The *Penwith Pioneer* also aims to put the individual at the heart of an integrated service delivery system. This programme aims to include 1,000 individuals, working with all health and social care agencies, ranging from carers to voluntary organisations.[58]

The 'Living Well' programme encompasses these initiatives, and will be taken forward across Cornwall. The model for integrating service provision relies on partnership working between local authorities, third sector organisations, health commissioners and providers. To be eligible, individuals[59] must suffer from at least two long-term conditions, and receive a weekly care support package, and have received support through the Early Intervention Service and the urgent response at least three times within a year.[60] Individuals are selected by GPs using a risk stratification tool. Once selected, the programme uses 'Guided Conversations', whereby a patient discusses his or her priorities with a volunteer (often from Age UK Cornwall). Volunteers are then able to connect individuals with communities to help them access support groups and information locally.

Integrating services across sectors

The Living Well programme features several strands of work, including conversation and goal setting; using volunteers to support recovery; community support; coordination or care by the integrated team; and specialist support. The latter has included mapping the local community network and the locality, notably for the Penwith Pioneer,[61] and looking at the workforce across sectors, mapping the skills available to better equip employees from various service agencies with the right skillset to work in a more integrated environment.

This can help to minimise the high transaction costs created by caring for individuals across a range of services and organisations.

Integration is being achieved through strengthening relationships between partners, notably the voluntary and community sector and public authorities. Partners are coordinating their approach to asking service users for their consent to facilitate information sharing. This has enabled non-public organisations to examine NHS records and NHS numbers used across social care systems, enabling better case management.[62]

Evaluation data from the Newquay pilot indicates early positive results, evidenced by a reported 30 per cent fall in emergency hospital admissions, a 40 per cent reduction in long-term conditions admissions; a 5 per cent reduction in cost, and a 5 per cent reduction in demand for social care for adults. 23 per cent of those asked noted improvements in their self-reported well-being. Evaluation data from the Living Well Penwith pilot indicated – for a geographical community of 800 individuals – a 41 per cent reduction in acute hospital activity (including, a 25 per cent reduction in emergency activity, and a 46 per cent reduction in in-patients), and a 20 per cent increase in reported well-being. Other evidence indicates that, with a cost of £2,500 per unplanned hospital admission for the cohort benefiting from the programme, and a maximum cost of £400 in support per person, there is a significant return on investment.[63]

Lessons from Cornwall on service integration and demand management

Overall, the use of integrated health and social care is providing Cornwall with the opportunity to supply person-centred care while enabling services to work together towards prevention and early intervention, thereby achieving a reduction in the demand for services. This approach has been recognised by the Department of Health as pioneering, and has generated wider interest. Several lessons can be drawn from this experience, specifically:

- **The power of person-centred care**: in light of the evidence gathered from the public and relevant organisations, a choice was made to design care delivery from the standpoint of individuals, rather than organisations. By focusing on individuals as active participants in care, the evidence suggests that increased confidence was achieved for patients, and a reduction in demand for services.
- **The value of using prioritisation tools**: one of the main lessons learned from the Penwith Pioneer is that a pragmatic approach was crucial in achieving longer-term outcomes for residents, and savings. The teams used a risk stratification tool,[64] combined with voluntary organisations and GP practices' knowledge of individuals to select those most at risk of costly, longer-term hospitalisation.
- **The complexity of information sharing**: effective collaboration between partners was crucial to obtain assent from service users to use access records. This facilitated improved case management, and enabled information to circulate despite the intricacies of information governance that made it impossible to create a unified data system *per se*. Cornish partners have agreed on an information-sharing protocol, and sought innovative ways of building on the trust between partners, such as developing honorary contracts with providers or GP practices.[65]
- **Knowing the community's capability**: the Penwith Pioneer used process mapping

and other tools to identify issues and solutions, but also to visualise the community web and the skills available across various organisations. In addition, local conversation groups and a practitioner workshop were conducted. This knowledge of local needs and capabilities was deemed a building block for the success of the programme, as well as the empowerment of frontline officers to redesign services around users.

- **The importance of trust**: both the Newquay evaluation and information from the Penwith Pioneer pointed to the importance of trust. This helped to overcome cultural barriers across the organisation. In addition, partners used new terminology to help in this (eg. people and practitioners, as opposed to patients and professionals). Finally, the development of shared outcomes and measures as well as shared commitment were seen as enabling the pilots to succeed.
- **Using a variety of data**: during the pilot stages, qualitative data were collected from participants in the form of case studies. The partners also developed a counterfactual modelling approach to understand how the programme achieved benefits in terms of reduced consumption of social services, compared with a matched group of individuals with similar genetic conditions living in areas where the programme was not being implemented.

D: Derbyshire – Using geospatial mapping and customer segmention to transform the public estate

Reported impact

26 bodies involved in Space Derbyshire project

Geospatial model of county based on **64** socio-demographic statistics

Customer segmentation to inform service design in next **5–10 years**

Background

This case study focuses on the use of public assets in Derbyshire and, in particular, how customer segmentation and geospatial mapping is being used to identify opportunities for the co-location of services, property rationalisation and the development of strategic asset management across a number of Derbyshire authorities. Public services in the city and county are delivered by multiple local and national agencies, each with their own geographical footprint and accommodation stock. The existing public estate has evolved over the last 60–70 years, with many buildings now in places that are not seen to meet the needs of complex, community-focused public service delivery in the 21st century.

Space Derbyshire project

The 'Space Derbyshire' project started in 2011, initially supported by funding from the East Midlands Improvement and Efficiency Partnership (£332,000 paid in instalments between 2009 and 2013). One of the key objectives was the identification of opportunities to co-locate services to increase the quality and effectiveness of service delivery, and reduce the property requirements of individual authorities, with the associated benefit of delivering revenue savings and capital receipts. Partners in this project include the city, county, district and borough councils, as well as other public sector bodies in Derbyshire; a total of 26 organisations are currently involved. Initially, a mapping exercise was undertaken to assess collectively the size, structure and location of existing public assets. Collaboration in Derbyshire is well developed, having both political and operational support, illustrated by the current development of a city/county combined authority. This consensus is driving the Space Derbyshire Project, as is the desire to deliver high-quality individual and community-focused public services at a time of significant funding reductions. There have been a number of successful co-locations (for example, in Swadlincote, Glossop and Clowne), but the development of a strategic and cross-authority approach to asset management and service delivery is seen as supporting wider service improvements and expected to deliver revenue savings and capital receipts.

A key element of the work of this project has been the accurate capturing of the type and location of current service delivery. This is enabling the Space Derbyshire partners to obtain a holistic view of service delivery across the county, and will inform the development of an area-based asset management strategy.

Customer segmentation

In 2014, Derbyshire County Council began work on the development of a bespoke customer segmentation model for Derbyshire, which was based on a classification tool developed by Hull City Council, with support from the Local Government Association. The in-house development option has been chosen as it allows the model to be built into the core work of the Council and has resulted in a number of staff being trained to undertake this work, allowing it to be updated on a regular basis and rolled out to partner agencies in the future.

The model has segmented the population of Derbyshire into 4 super clusters, formed into 18 sub-clusters, determined using 64 socio- and demographic statistics from the 2011 Census. The Census data used were at output area level data, the smallest statistical geography available. Customer segmentation capitalises on the huge amounts of data available, and the model provides a rich picture of Derbyshire and its individual communities. The sub-clusters are described according to a wide range of characteristics relating to types of employment, housing, population density and age. The authority can now use the customer classification to anticipate and manage customer need, and to allocate resources appropriately.[66] This intelligence will contribute to the development of a joint asset management strategy. The segmentation model and area-based asset strategies will therefore inform the design of services to meet the actual need of individuals and communities for the next five to ten years.

Customer segmentation data are also being combined with ethnographic research and are assisting in setting the scope and identifying some issues that can be further explored. For example, in Shirebrook, customer segmentation has identified pockets of the community that access very few services and have many family members who do not have English as a first language. This can be taken further through ethnographic interviews, and can inform service delivery and design in these communities.

The potential to be realised from customer segmentation has yet to be fully capitalised on, but even in the early stages of the project, this model is helping to reveal issues and features of local life that were not fully appreciated by the authority. The average output level comprises 150 households and this is allowing the authority to:

- Identify where people go to use services or where is there is non-take-up
- See where complaints originate and identify that certain groups of people in particular areas often do not make contact with the council – for example, in areas with the largest number of people for whom English is not their first language. This will influence how the authority develops its service related communication strategies.
- Appreciate that cultural factors may work against usage of particular authority assets, even where it might seem to be appropriately located.

The segmentation model is also increasing the authority's understanding of how particular

properties are seen, and the associations that certain services have with local people and within communities, for example multi-agency provision may create negative perceptions for some if associated with social workers, or labelling something a 'children's centre' may make some people assume it is not for them.

The segmentation model also has the potential to support the development and delivery of anti-poverty initiatives and social capital building. It is being used to inform the wider transformation agenda and will contribute to the development of greater integration between health and social care. Locally, customer segmentation is being used to support service design and delivery options throughout the Authority. The in-house development of the segmentation model cost approximately £35,000, including staff time.

Lessons from Derbyshire on geospatial mapping and customer segmentation

Overall, the use of geospatial mapping and customer segmentation is providing Derbyshire County Council and its partner authorities with the data intelligence to understand in greater detail the make-up of the county's communities and what their needs might be. There are a number of lessons:

- **The power of combining data**: there is a huge amount of existing data which, if used in the right way, can make a real difference to how services are designed, delivered and resourced in the future. Combining insights from different data sources is helping the Council and its partners to ask informed questions and decide different courses of action based on hard evidence, rather than historical service delivery patterns or pre-existing assumptions about the make-up of communities.
- **The value of visual presentation of data**: the mapping work provides a compelling and accessible picture of a complex situation, and offers a degree of granularity that allows the identification of emerging patterns and changes to the structures of communities that would not have otherwise been seen, working solely within existing data sets.
- **The benefits of cross-fertilisation of ideas**: the development of a bespoke customer segmentation model for Derbyshire, adapting work that had been undertaken by Hull City Council and the Local Government Association, clearly illustrates the value of networking and the sharing of ideas and the utilisation of data intelligence by multiple partners.
- **The importance of data analysis in raising questions**: effective analysis of appropriate data has a valuable role to play in redesigning existing, and developing new services and can inform wider discussions about the nature of public service delivery and community development.
- **This kind of analysis can have multiple uses**: the potential that can come from customer segmentation, geospatial mapping and the development of an area's asset-based management strategy is broad and not limited to one type of organisation. In Derbyshire, the Health and Wellbeing Board is interested in identifying how it can use the learning from the customer segmentation and Space Derbyshire projects to support its future planning of health and social integration and screening services.

E: Devon – Local communities identifying and solving service provision needs by developing community resilience

Reported impact

Local conversations held in **3** places

Mapped public assets

11 'locality leads' in place in November 2014

Background

This case study focuses on community empowerment in Devon. More specifically, it looks at approaches to supporting and involving local communities to identify their own needs and service levels, reflecting local economic, geographic and demographic characteristics. This is designed to create an integrated approach centred on the community – with opportunities to make decisions and take on certain services and assets – rather than on specific services *per se*. The approach is being implemented through support to communities to allow a shift from dependence on traditional service provision towards preventive, sustainable service delivery in the longer term.[67]

The background to this programme is the council's *Better Together* vision for 2020, which focuses on changing expectations for service provision, and meeting the desire for personalised, flexible services. This is being done in the context of reductions in government funding, which will require the Council to make further cuts of £50m in 2015–2016 and £34m in 2016-2017, as well as rising demand for, and expectations of, public services.[68] Together, these developments mean the current model of service is unsustainable. The strategy aims to develop resilience (by supporting community groups to run local services or to manage their needs independently from public services); encourage prosperity (by supporting local social enterprises for meeting local needs); and develop connectedness.[69] Underpinning the vision is the desire to be more collaborative and flexible in design and implementation, and to take a systems approach to making changes, drawing on skills and resources across partners and the services involved. A new operating model has been developed. It includes preparation of an overarching outcomes framework encompassing work in partnership, reducing demand and involving citizens in service design.

Early examples of the work resulted in locality-based projects. These gave communities and the voluntary sector the opportunity to make proposals for the future levels of youth services, libraries and wider community facilities/provision in three market towns – Totnes, Tavistock and Ottery St Mary – working with partners and community groups to identify shared priorities and solutions. This built on the work undertaken in the Ilfracombe Neighbourhood Community Budget, during which the local community and

its 17 partners managed a £1m devolved budget, as well as a £400,000 aligned budget, in order to provide place-based services.[70] The work there was organised through One Ilfracombe Ltd, the Community Voice and a Virtual Bank, as well as partners such as the NHS, JobCentre Plus and charities.

The Delivering Differently programme in Devon

Devon's 'Delivering Differently' programme is a joint programme between the Local Government Association, Cabinet Office, the Department for Communities and Local Government, and the Society of Local Authority Chief Executives. It consists of the following:

- *Totnes*: the community wished to develop a care hub, and the conversations focused on micro-commissioning and social care for older people.
- *Tavistock*: given the many assets in the town, the discussion analysed opportunities for their utilisation, as well as day-care provision.
- *Ottery St Mary*: building on the Clinical Commissioning Group's work, the dialogue with the council dealt with co-design and assets utilisation, and the potential for testing the benefits of early, intensive engagement.

The programme's overall focus is public service transformation, aiming to accelerate the 'co-production and delivery of a new local service "offer" led and developed by Devon's communities'. Major elements include breaking down silo thinking to facilitate closer connections, as well as actively involving local people in designing and delivering services. The project consists of two phases: an Options Appraisal (which lasts for about three months) and a Plan of Implementation.[71] Once the first phase is completed and signed off by community leaders, the Plan will be set up, focusing on the vision for the new delivery model, the main work streams, and the financial/economic/social case.[72]

Specific services involved include youth services, information services and libraries, and day-care opportunities for the elderly and for those with learning disabilities. The work around youth provision has been transformed, with 24 youth centres no longer used. Local communities and the voluntary sector were asked for proposals on how to make use of these free buildings. A new library strategy was released, which rests on making savings without closing buildings or cutting staff by involving local groups in running the service. A number of assets have been transferred to community ownership.

There has also been a focus on consultation. Listening events and conversations have been held, and senior council officers are working as 'Locality Leads' in specific towns (Totnes and Tavistock, since September 2013) to facilitate the discussion and synthesise community solutions to meet local challenges. As of November 2014, 11 Leads were in place, and, in addition, 5 leadership development seminars on communities were delivered.[73] Finally, Devon has mapped its public assets through the Capital and Asset Pathfinder Programme (CAPP), which also favours community-led projects.

At a strategic level, the council has developed a Community Development Programme to bring together community-building capacity. Devon is taking part in the national Association of Directors of Environment, Economy, Planning & Transport (ADEPT) pilot to

curb dependency on place-based services, and the council is working with eight district, borough, parish and town councils to facilitate the community's role in driving 'Delivering Differently'.

Engaging with communities for service redesign

A narrative has emerged about community resilience after the first 18 months of the programme: currently it appears less prevalent at the community level. Although it seems unlikely that the change planned by the operational model will be achieved as rapidly as planned, a programme of work with communities over the next two or three years will be outlined, which may help to embed this narrative into the engagement of communities as well. The main barriers to progress include the reduction in available funds and grants, combined with a limited understanding of spending at the community level. There can also be challenges when communities propose innovative ideas that the council has not considered.

Lessons from Devon on community engagement and service design

Several lessons can be drawn from experience to date, specifically:

- **The power of community involvement**: by engaging with the community and voluntary sectors, the council was able to build on useful conversations to redesign services in a way that best fits the community they serve. The narrative of 'community resilience' also appears powerful when involving communities in the delivery of such services as active participants, rather than passive recipients.
- **The importance of building on previous experience**: much of the work undertaken through the 'Delivering Differently' programme built on the Ilfracombe Neighbourhood Community Budget, as well as on participation in other work strands such as the national Association of Directors of Environment, Economy, Planning and Transport (ADEPT) pilot to reduce dependency on certain types of services. Evidence suggests these initiatives were useful in first establishing contact with communities.
- **The role of Locality Leads to synthesise priorities**: the appointment of Locality Leads from among senior officers at Devon County Council at first, and then from partner organisations, has been crucial in steering engagement with communities, and also in helping them synthesise and structure their priorities in an organised way to identify core themes for change in Ottery St Mary, Totnes and Tavistock.
- **Having the right skills to pursue the work**: the mediation skills of some Locality Leads were helpful when engaging with communities. In addition, the council was able to engage with a research consultancy, the Office for Public Management, to develop aspects of the work with communities around service redesign and community resilience. This external challenge, together with the skills and knowledge that it brought, has been invaluable.
- **Embedding the approach within a broader strategy**: broader strategies have an important role to play in structuring the overall approach to public service change programmes. Devon County Council devised its overarching *Better Together* strategy to 2020 with public service transformation in mind, and 'Delivering Differently' is one of many strands of work. The council has also set up various programmes (including

its Community Development Programme) and taken part in a range of pilots such as the Capital and Asset Pathfinder Programme (CAPP) of the Local Government Group (LGG) and Department for Communities and Local Government (DCLG) when considering these changes.

F: Greater Essex – Skills for economic growth

Reported/planned impact

8,000 additional apprenticeship places by 2020, leveraging **£30m** local public/private investment

Pathways to better match vocational training and job choices with labour market needs

Original business case CBA suggests **£150m** in non-cashable benefits 2013–2020

Background

The case study examines some of the original asks of Greater Essex partners regarding skills reform through their Community Budget business case in 2013. Central government partners were supportive of the business case and asked for further evidence of employer need in order to progress. To this end, Essex partners established the Essex Employment and Skills Board (ESB) in April 2013, formed of employers such as Ford, Raytheon, e2v, the NHS and Stansted Airport, as well as schools and representatives from Further & Higher Education. The Board is now informed by an evidence base of skills need, which established seven key growth sectors. The Board has sought to influence education providers and put in place programmes to respond to acute skills shortages across the seven sectors.

To date, all activity is funded by Essex County Council (with a contribution from Southend-on-Sea Borough Council). Formal links exist with the Local Enterprise Partnership (LEP) structure. The work has developed since the original Business Case, and partners have met with HM Treasury and the Department for Business, Innovation & Skills (BIS) to discuss further devolution, and have a programme of awareness raising of the issues around skills shortages and barriers to progress under way.

Local economic context

While Greater Essex has seen moderate recent job growth, further potential for economic growth remains, but is hampered by a wider skills challenge reflected in levels of productivity, earnings and skills attainment. Productivity in Essex as measured by GVA is at £16.4k per head for 2009, compared with £18.5k in the Eastern Region and £20.5k in England as a whole. Average working population earnings are lower than resident earnings in Essex, indicating higher earners are often commuters.[74] There are also high levels of low value skills attainment, and high levels of vacancies in key sectors,

indicating an undersupply of skilled labour (e.g. between August 2013 and July 2014 there were 5,000 vacancies in construction; 8,000 in IT & technology; 10,000 in advanced manufacturing; 10,000 in health).[75]

There are three key factors behind this. First, learners are currently not making the right educational choices, faced by a confusing landscape of choices and providers, with limited support to navigate through it. The pathways for those seeking a vocational route are less clear than for a higher education path. Second, employers struggle to recruit from within Greater Essex and are passive recipients of the skills system. Third, the wider public sector is considered not to engage with employers on these issues in a strategic way, and local partners do not have a strategic voice in deciding on a demand-led approach targeted at potential local growth sectors (e.g. while local authorities and Local Enterprise Partnerships (LEP) can influence skills provision, they have less influence on funding criteria).

As a consequence, young people are not making sensible choices about vocational education and skills courses, nor do their choices sufficiently match the labour demands of Essex employers.[76] For example, in 2010–2011, 47 per cent of apprenticeships started by 16–24 year-olds in Essex were in just two sector subject areas (business, administration & law and retail & commercial enterprise). Existing employers say they intend to recruit better skilled workers from beyond the East of England and, possibly, the UK. To address these issues, ECC proposed its Skills for Economic Growth programme, which is a redesign of the local 16–24-year-old vocational skills provision, to fit local labour demand through introducing a Payments-by-Results (PbR) funding model.[77, 78]

Approach

The Skills for Economic Growth programme was proposed as part of the Whole Essex Community Budgets Programme, to develop a system where local employers have greater influence on priorities for skills provision and, therefore, the supply of skilled labour for priority and growth sectors. It focuses also on the creation of more work and training opportunities by employers, the reduction of levels of NEETs (young people Not in Education, Employment or Training) and youth unemployment, as well as on developing a streamlined and transparent pathway from education to work.

The programme originally proposed in the Greater Essex Community Budgets case includes various elements through to 2016. Local employers are starting to aggregate information on labour market requirements, skills provision and funding streams through the new employer-led Employment and Skills Board (ESB), mapping local labour needs and current skills supply through a Skills Evidence Base, which sets out skills priorities at a strategic level.[79] The ESB became fully functional in April 2014.[80]

An online platform (across the South East LEP area) is also being established in order to provide clear and transparent information on skills provision and funding, and to enable employers to search for, and rate, training (called Skills Adviser). The original Essex business case called for vocational skills funding streams targeted at 16–24 year-olds to be virtually pooled, and responsibilities for funding decisions devolved, bringing the decisionmaking process closer to the local level by focusing on job outcomes. This meant that in a transitional phase, the ESB would gain more influence over existing Skills Funding Agency (SFA) and relevant Education Funding Agency (EFA) funding

arrangements. This will align funding more with the priorities of the Strategic Framework, as well as preparing the introduction of the PbR scheme funding model. As well as Department for Work and Pensions (DWP) funding, a range of welfare-to-work provision and funding from the European Social Fund, the SFA and EFA are the main funding bodies in this area, accounting for £285m of support in Greater Essex in 2011–2012.[81] Since the original Business Case was prepared, the ESB has a formal role in signing off and shaping LEP allocations of funding, including Skills Capital Funding. Additionally, the ESB has a voice in agreeing priorities for ESF funding matched by SFA, DWP and Big Lottery and will be represented on the ESIF[82] Committee, which has a formal role in reviewing applications.

The original PbR model included a year-on-year increase in the proportion of vocational skills budgets determined by PbR. As a result, from 2016 onwards, the ESB framework is expected to determine the skills priorities, and the PbR system determine the SFA skills budget and, incrementally, the EFA vocational budget for 16–24 year-olds through a new Local Skills and Employment Delivery (LSED) Contract. While SFA and EFA could still be administering bodies, funding streams would be virtually pooled, allowing ESB to align funding priorities, determine funding formula weightings and direct contractual arrangements. In this new system, individual colleges and providers in the area will keep their responsibility for course delivery, but the use of a PbR funding model will be designed to incentivise them to demonstrate how their course offer meets priority needs of employers.[83] The implementation of this post-2016 plan requires close co-design with the Department for Education, but is in line with the bringing together of budgets on the local level as part of the Community Budgets approach. Since the original Business Case, Essex partners have made the case for a model whereby multi-annual funding allocations for post-16 providers should be determined by ESB and should use evidence on local funding needs to support careers advice.

The original model outlined that young people would be accompanied and tracked through a coherent ‘vocational pathway’ providing them with streamlined information from statutory education to employment, designed to improve their vocational training choices. This would include career services with information on the local labour market for learners, designed to steer young people in the age group of 16–24 towards vocational training relevant for growth sectors, and develop pathways that map the journey from education to work so they are clearer about the impact of their course choices and how these link to training and job opportunities. It would also increase the volume of employer-led provision of training opportunities and establish employer-led models (such as apprenticeships, employment with training opportunities, Group Training Associations, etc.).[84] Since the original business case was written, some progress has been made in this area, whereby the ESB has recommended the development of a careers website to showcase local opportunities in growth sectors and convey them in new and interesting ways.

Benefits

Existing cost-benefit analysis suggests that between 2013 and 2020 the original approach outlined in the Business Case could generate more than £150m in non-cashable benefits (estimated direct costs are at £0.2m/opportunity costs £0.7m). These net benefits would be generated across the following areas: reduced benefit payments (JSA), an increase

in apprenticeships (8,000 additional places by 2020 leveraging £30m local public/private investment), increased Gross Value Added (GVA), reducing NEETs (resulting in reduced crime, further reduction in benefit payments and ancillary costs), and the introduction of the (PbR) model driving value for money (VfM) in vocational skills provision. [85]

Enablers for successful implementation identified by Essex County Council

Development and process-related:

- Senior and long-term commitment to this agenda from local employers, educational establishments and training providers, and translating this into an effective governance and oversight model through the setting up of the Employment and Skills Board.
- Establishing an evidence base looking not only at the current skills requirements, but also at how the workforce and local job market might look in the future. Using the evidence base to engage with partners in the process in order to bring them on board.
- Building resilience and commitment through partnerships in order to overcome bureaucratic barriers and having a long-term approach.

Implementation and programme related:[86]

- The localisation of funding decisions steered by the ESB, rather than remote commissioning that does not address local needs.
- Increasing the voice of local employers in skills provision (with closer engagement leading also to an increase of apprenticeships and other training opportunities).
- Shared IT infrastructure, individual assessment and action plans between providers for streamlining to coordinate individualised vocational routes to employment.

Perceived barriers

Partners consider that local elements to make this model work are in place, in particular a long-term commitment from local employers and training providers, effective governance and oversight arrangements and a robust evidence base about local skills needs and gaps. However, they consider the full transformational effects of this agenda cannot be achieved without greater local control and direction over key elements of skills funding. Key issues are seen as:

- a lack of influence on national funding initiatives on the part of local authorities, with national, as well as EU, funding priorities and the infrastructure for funding provision, not catering for local needs adequately. This also undermines the utilisation of granted freedoms and flexibility at a programme level since national and EU funding drives mainly behaviour;
- a lack of multi-annual funding opportunities that could enhance sustainability and whole-system approaches; and
- a lack of inbuilt incentives and obligations in funding allocation so that skills providers reflect current and future needs of the local economy;

Barriers to better data-sharing with government agencies (e.g. data on individual career choices and educational pathways) also exist. A related key policy demand of central government to aid better programme delivery is the creation of a unique indicator number across government and any contracted agencies for young people's journey from school to sustained employment work, in order to track educational and training success, avoid duplication and waste and better target support.[87]

Lessons learned from Essex

- **The role of central government in transformation**: while transformation is driven and implemented locally, central government has a key role to play, either as an enabler or as a blocker of transformation. In the case of ensuring that the skills funding system meets the needs of employers in Essex and provides the skills needed to participate effectively in the local labour market, central government is seen locally as not so far responding sufficiently positively.
- **Building up an evidence base**: using an evidence base can inform not only current developments, but also drive decisionmaking for capital investment in the future. While measuring the impact of differences in course provision on the local economy can prove difficult in the short term, it can underpin a better alignment of skills provision with local needs.
- **Alignment of national system to local realities**: the programme represents more of an approach to change the national system in terms of how it operates locally, rather than trying to change the wider national system in the short term. There is about £230m of funding for skills and training available for Essex each year and the approach is trying to make sure that this money is used to best support the needs of the local economy.

G: Suffolk – 'Lowestoft rising'

Reported impact

9% reduction in emergency admissions April-August 2014

Set of **26 indicators** in place to measure impact of initiative

25% drop in burglary/ anti-social behaviour in 2013-2014

Background

Lowestoft is a port and seaside town of just under 60,000 people in Suffolk located in the District of Waveney. Its traditional fishing and engineering industries have been in decline, and although it has significant service industries, employment varies seasonally due to the significance of tourism. Jobs and skills are key challenges, but it has an Enterprise Zone and 'Centre for Offshore Renewable Engineering' status, and has been awarded Local Pinch Point funding to address infrastructure challenges.

The 'Lowestoft Rising' approach to public service delivery emerged from discussions between the main public sector partners,[88] who saw increased need to address Lowestoft's social challenges through an approach that could have lasting impact on the root causes of dependency and disempowerment. The approach is not focused on building structures, but involves improving two-tier working and collaboration, while recognising the sovereignty of the tiers of government. As well as a strong partnership between Suffolk County Council (SCC) and Waveney District Council (WDC), other key public sector partners and the community sector are involved.

Partners involved in 'Lowestoft Rising' were able to draw lessons from SCC's pilot Neighbourhood Budget in Haverhill. One key lesson was that some aspects of collaboration and joint service design can be impeded by discussions around the governance of pooled budgets. As a result, 'Lowestoft Rising' focused on pooling resources and developing a shared vision and monitoring framework as a first step, while pooling budgets will be discussed later in the process.

Approach

Taking a whole system approach in the earlier Suffolk Family Focus work had already resulted in high levels of engagement from partners and families, and, for example, in reductions in truancy rates, police callouts and Anti-Social Behaviour (ASB) incidents. This approach was then extended to a wider range of issues and partners developed a new integrated approach to service delivery. Thus, 'Lowestoft Rising' is a whole systems approach joining up services, while building on, and making more effective

use of, existing capacity. The objective is to secure improved outcomes by addressing local needs, generating efficiency savings and reducing duplication of services and the demand for public services through early intervention and prevention.

The approach is also aimed at using funding in a more collaborative way, with trade-offs and deals between public sector agencies to achieve overarching and shared objectives, as well as joint financial planning at the local level. A set of shared principles is underpinning collaborative efforts. These include looking beyond organisational boundaries and taking wider effects on the Lowestoft community into account when making decisions on service-level; making applicability in frontline work a guiding principle for evolving the approach; and accepting that despite financial benefits for services varying, resources are used collectively for improving the situation for the whole community.[89]

Governance

A flexible approach to the governance of 'Lowestoft Rising' has been used to forge relationships that will then support further integration and collaboration. A Sponsoring Group of the chief officers from the five partners provides leadership, strategic decisionmaking on works streams and continuity of commitment. Political leaders of the partner organisations review progress periodically, ensure overall support for the approach and link up with central government. A Support Team, consisting of at least one officer from each participating organisation, leads the work streams and engages with staff (frontline officers and managers included in a Delivery Pool) and external partners. A 'change manager' in the Support Team links the work streams, engages stakeholders, draws in external support and maintains relationships.

Work streams and performance measures

Based on feedback from an external Peer Review and stakeholder engagement (involving elected members, front line staff, service managers and voluntary and community sector (VCS) partners) the decision was made to focus initially on: Aspiration and Attainment; Drugs, Alcohol and Mental Health; Pride in Lowestoft; Integration and Co-location. Underpinning the work streams are a set of 26 indicators for monitoring the impact of 'Lowestoft Rising' in terms of the overall objective of making it a better place to live, invest and work in; and the effect of the approach on delivering better services and reducing demand.[90] The outcome framework provides a picture of wider developments across Lowestoft and builds mainly on indicators that are already measured.

The benchmark period for performance measurement along these outcome indicators was April 2013. However, rigid targets were deliberately avoided as work in many areas focuses on long-term changes. While there is individual responsibility for outcomes, and the framework builds on data which in the main are already being collected, one of the new developments is that data are now also being collated and analysed for the Lowestoft area by services that have a wider remit across Waveney or cut across districts. This gives decisionmakers a more comprehensive picture of the situation in Lowestoft.

Aspiration and attainment

This work stream aims to raise levels of aspiration and attainment by improving links

between local schools/colleges and businesses, matching courses with labour needs of local employers, better promoting the existing local opportunities for young people (e.g. through career fairs), growing local apprenticeship opportunities, developing a mentoring and coaching programme, recruiting school governors and teachers with a business background, and using STEM education as a driver for course improvements in schools.[91] Indicators for measuring progress include sixth-form college full of students (percentage achieving A-levels, etc.); schools all working together sharing resources and rated as 'Good'; a higher percentage of pupils achieving 5 A* to C in GCSEs; and Lowestoft College full of students doing the right courses.

Raising aspirations and educational attainment is also thought to have an impact on the local labour market, with businesses being provided with more skilled labour, and local training and related job opportunities increasing respectively. Wider social behaviour changes resulting from these developments will be measured, for example, by monitoring levels of teenage pregnancies and numbers of young people not in education, employment or training.

Drugs, alcohol and mental health

This work stream is delivered in close cooperation with the Waveney and Great Yarmouth districts and linked to county level efforts. Under the remit of the System Leadership Partnership (SLP), Waveney and Great Yarmouth districts had already created a workable Alcohol Strategy, but no strategic group for coordinated implementation had been established. Using the impetus from 'Lowestoft Rising', the districts were brought back together to form a Waveney and Great Yarmouth Strategic Drug and Alcohol Misuse Group. This is chaired by Health East, bringing together public, voluntary and industry sectors for strategic decisions around drug and alcohol issues. Efforts are also linked up with the development of the Suffolk Alcohol Strategy, and Health and Wellbeing Boards were involved through the SLP.

The new work around tackling drugs and alcohol problems was subsequently joined up with mental health services to improve the treatment for people with dual diagnosis of mental health issues and drug/alcohol abuse. In order to join up services at an operational level, the work stream focused on particular areas: improved networking between different services through the adoption of the Suffolk County Council 'Infolink' database and its extension to capture all public, private and voluntary services provided (not only in the area of mental health/alcohol/drug abuse).[92]

In addition, 'Lowestoft Rising' joined the existing Waveney Recovery Forum that connects voluntary and statutory service providers for drug/alcohol treatment and recovery. Service provision around treatment and recovery were already linked up, and 'Lowestoft Rising' helped one of the local recovery organisations to secure funding for a new Community Recovery Hub. However, weaknesses were identified around outreach to target groups. Using the Recovery Forum as a platform, 'Lowestoft Rising' joined up the treatment/recovery strand with the Access Community Trust (ACT) that delivers outreach, and has a 'Dual Diagnosis' team working on both mental health and drug/alcohol abuse conditions.[93] Some of the related outcomes indicators include reductions in 'violence with injury' crimes, reduction in ASB levels (down by 25 per cent in 2013-2014) and reduced admissions to A&E from Waveney for drink and drug related illness.

Pride in Lowestoft

This workstream is focused on promoting Lowestoft, both internally to the local citizens, as well as externally to potential investors and visitors. It connects the existing communications work carried out by all local public sector organisations with local media outlets and community groups to develop positive narratives around Lowestoft's potential. This involves, for example, highlighting and organising cultural events that promote the area in cooperation with community groups, but also showcasing the various investments made in the town and adjunct area. The aims of this are to: generate a community spirit, with local people increasingly taking pride in where they live and work; help people outside Lowestoft discover the town as a tourist destination, and place to live; and highlight opportunities to invest.[94]

Integration and Co-location

This work stream is focused on co-locating services and teams using two new buildings at two locations in Lowestoft (Kirkley Mill and Riverside Road) as well as the review of the services offered from the Marina Centre (currently WDC's customer service centre). Kirkley Mill is now primarily occupied by health and social care practitioners. It has helped improve coordination of the 'Out Of Hours Team' (including health and social care workers) and is already thought to have had an effect on urgent admissions to the local James Paget Hospital since introduction in April 2014. Emergency admissions to hospital show a 9 per cent reduction for Lowestoft between April and August 2014, compared with a reduction of less than 1 per cent for the rest of the area. Integrated working is also promoted within organisational development, including staff taking part in the Suffolk Integrated Leaders Programme, and development of a Lowestoft Commissioning Academy in 2015. This will bring together almost 100 local decisionmakers to look at commissioning from a 'whole place' point of view.[95]

Barriers and scope for improvements

Data sharing is considered essential and almost a pre-requisite for being able to share budgets successfully. Each individual organisation currently has its own systems, and access by other parties is limited. Ideally, data should be shared in an integrated space with key partners being able to access it, and central government should encourage and incentivise its local agencies to engage.

Lessons from 'Lowestoft Rising'

The 'Lowestoft Rising' approach is based on a number of enabling factors for successful delivery:

- **Staggered integration and pooling resources**: the recognition of what is feasible in terms of integration locally meant that service boundaries were respected and two-tier working improved. The pooling of resources came first, instead of efforts to design a form of financial integration. The approach resembles an integrated network, rather than a new structure.
- **Cooperation**: on the other hand, respect for professional identities and existing structures has led to discussions moving beyond protection of existing remits, to a

wider recognition of where savings are made, as well as acknowledging that agencies can benefit from each other's efforts.

- **Involvement of staff**: acknowledgement of professional expertise and boundaries also shows in the fact that the 'Lowestoft Rising' approach is not targeted at developing a new workforce. Instead frontline staff will design and change working methods from the bottom up, and those involved in the process come together in a Delivery Pool.
- **Leadership**: the change in working culture is driven by Senior Executives as sponsors (forming the Sponsoring Group), who have a key operational person inside each participating organisation as a conduit (which forms the Support Group). This structure has evolved organically and the new way of working reflects a commitment to collectively deliver wider public good.
- **New ways of working with the voluntary sector**: the involvement of the voluntary sector also includes a mapping of the local organisations by extending and mainstreaming an existing web-based database to which all organisations are encouraged to sign up. This provides an overview of existing resources. Furthermore, umbrella organisations such as Community Access Suffolk and a cluster of community organisations were involved. Another step is linking funding to engagement with the approach (e.g. joining a forum, embracing the ethos of 'Lowestoft Rising', etc.).
- **Building on what is already present**: the voluntary sector actively engages with Suffolk's 'Raising the Bar'[96] initiative around improving educational attainment. Furthermore, collaboration and joining up of services was developed through 'Family Focus', which is Suffolk's local response to the national 'Troubled Families' programme.[97] An active Systems Leadership Partnership across the Great Yarmouth and Waveney Heath engages all key organisations in setting the strategic direction of health and care, and a new delivery model supports the integration of health and care services in the District of Waveney.
- **Long-term commitment**: a lot of work focuses aspiration and attainment across different cohorts of the population, but raising performance levels in these areas will take time and require a long-term approach that delivers sustainable systemic changes.

H: Surrey – Family support programme

Reported impact

Up to **17** partners working to support families with complex needs

Programme is being scaled up and expanded to include up to **5,000** families

CBA focusing on high value transactions across key agencies estimates **+£30m** fiscal benefits over 5 years

Background

There is a two-tier system of local government in Surrey, consisting of the county council and 11 district and borough councils. It is generally an affluent area and home to many international companies, as well as a commuter region for London. However, there remains deprivation and poverty arising from a wide range of socio-economic inequalities. Problems include families living in or at risk of poverty; parental mental health issues or learning disabilities; substance misuse; domestic violence and abuse; crime and anti-social behaviour; children missing school; adults with long-term poor health.

Families, households and individuals with complex needs have received support from a wide range of public services in Surrey – as many as 17 agencies in some cases – with different or overlapping responsibilities. An overarching problem is that families with complex needs across a number of family members rarely receive a systematic whole family response, and where support is provided too late and/or ineffectively, families can end up requiring high-cost acute services. By not addressing problems appropriately the first time, they can escalate and require acute services, possibly involving duplicate referral arrangements with overlapping assessments, plans and interventions. This can lead to higher costs and sometimes inappropriate level or type of services, and confusion on the part of families and individuals due to increased complexity of service provision. Service thresholds can act as barriers to early intervention and prevention, increasing demand and costs later on. In these circumstances, there may be inefficient or no tracking of costs and outcomes, and an absence of incentives to provide early intervention where benefits are realised by other agencies.

Surrey's local response

Changing demographics and reducing budgets have contributed to local health and social demand pressures, and attention has turned to improving the effectiveness of services for families with complex needs. As a local response to the national Troubled Families Programme, the Family Support Programme (FSP) was developed in 2012 to support families with complex needs and build on work tested through the 2011-12 pilot. The programme involves local public agencies combining services to structure them around the customer 'journey' in order to better address individual needs. Rather than individuals dealing with multiple organisations, services come together in a Team Around the Family (TAF) made up of:

- A Family Coordinator providing intensive support in the first 12 weeks.
- A Lead Professional as a focal point working with the family to coordinate the multiple agencies involved.
- Each family having a single assessment and intervention plan.[98]

This programme aims to bring together services around the family so that provision is not only more efficient but is also linked to early intervention, prevention and support structures designed to help individuals returning to the job market. Within the two-tier local government arrangements, Surrey's district and borough councils take on the role of 'place leader' for the Programme, coordinate the local services and provide intensive support services to families. This model has been operating in six boroughs and districts since March 2013, and countywide since October 2013.

Scaling up existing approaches

The FSP is being scaled up and expanded to include up to 5,000 families in Surrey. Building on data from the pilot FSP and national data, the evidence underpinned the development of the larger programme. The objectives of this scaled-up FSP are to help turn around the lives of identified families through an integrated multi-agency approach to service delivery and commissioning; and to achieve productivity improvements and cashable savings in line with efficiency requirements. This involves shifting resources over time from high-cost acute services to early intervention, prevention and risk monitoring, with a view to providing high-quality early support for long-term demand reduction.

In order to achieve these aims there has been a redesign of the programme. This includes multi-agency leadership (involving systematic local leadership of multi-agency services); integrated systems and practice (involving integrated assessment, TAF, a lead agency, and professional, integrated multi-agency systems for identifying needs, managing cases, and tracking performance and outcomes); overarching clinical governance and quality assurance; and a 'Whole Family' approach (including involvement of the whole family to develop assessments and plans; home-based support; adaptation of interventions to the level of complexity of the issue and need at hand etc).[99]

A key aspect driving the programme redesign is that integrated networking arrangements are preferred over structural integration. This is because structural change can be more time-consuming due to the legal and financial requirements that have to be resolved

before changes can take effect and generate improved outcomes for families. As well as using the TAF approach, new work streams in the scaled-up version of the programme include the identification of 'very complicated' families as a specific cohort, as well as identifying a new set of multi-agency interventions to meet the needs of the wider range of problems families under the expanded eligibility criteria. An integrated case management system and a coherent 'family outcomes framework' are seen as powerful tools for a successful expansion of the programme.

The family outcomes framework links national criteria for identifying families with complex needs to policy objectives in county-level, eligibility criteria that define the cohort and the scope of the programme. There is a comprehensive set of outcome criteria across four levels, distinguishing the severity of the family/individual's issues, which can be used to measure the progress of improvements, as well as criteria for measuring the level of sustainability of the improvement. Monitoring builds on existing information.

Using cost-benefit analysis

Surrey County Council conducted a cost benefit analysis (CBA) for the programme to identify the fiscal benefits and average cashability for key outcomes. A main issue is whether identified fiscal benefits are:

- Cashable (counting as financial savings, can be reinvested, or contribute to budget reductions).
- Capable of avoiding future costs (e.g. absorbing a planned increase in service demand).
- Realisable (the benefit is only realisable above a specific level, e.g. a decrease in service demands can generate resources that can be diverted or be cashable benefits only when demand falls below a certain threshold).

Overall, the initial CBA assumed fiscal benefits between £39.4m to £63.4m (over a five-year period, including 1,000 families per annum in the programme) through the scaled-up FSP. A new CBA focusing on high value transactions only across key agencies estimates fiscal benefits of more than £30m over five years (starting in 2014). Being able to quantify fiscal benefits and savings not only at the macro level, but also for each participating service, allows for a more informed discussion on pooling resources, and enhances the willingness to collaborate and get support from departments because benefits are visible and can be monitored. This also helps to create a common view of how savings are generated, especially if they are to be generated in the future through delivering the programme, rather than being built in upfront into budgets. Coordinating many agencies on this complex financial work takes time.

Lessons from Surrey on wider changes required for successful implementation and enabling factors

Implementation of the programme has required changes in a number of areas. These include:

- A change in leadership culture: senior officials have needed to work closer in partnership and be increasingly willing to pool resources and services over time.[100]

Having an established model that has been piloted on a smaller scale and shown to be successful has helped to secure leadership agreement on scaling up and on cooperating to implement the programme.

- **Changes to ways of working**: the programme has required staff to engage in shared risk management and collaborative working across services. Establishing a framework and protocols for cooperation across services, without introducing new hierarchies, has helped to bring staff on board and enabled them to understand the changes, while simultaneously acknowledging their individual professional and statutory roles.
- **Organisational change might require some services to stop activities**: this may be needed in order to avoid duplication, or perform activities on behalf of others, exploring the comparative advantages across multiple agencies. The aim is to get services to mainstream the programme model and build it into their service provision, rather than see it as an additional project.
- **A wider set of barriers relating to relationships between local and central bodies need to be resolved in order to improve programme outcomes**: services on the local level have to fulfil a wide set of statutory responsibilities that are set from the central level. Resolution is needed in the areas of simplifying current statutory assessment and planning requirements; giving greater control to local agencies over commissioning and skills/employment programmes; and linking NHS England up to the programme with regard to commissioning.[101]
- **The future success of the FSP requires central departments to actively encourage and incentivise their local branches or agencies to engage with the delivery of the programme**: this will allow more flexibility in terms of priority setting for spending of funds and developing approaches to service delivery. While the programme's success is built on increased collocation and integration across boundaries, not being flexible in adhering to these responsibilities can undermine these efforts.

I: West Yorkshire – Creation of the combined authority

Reported/planned impact

2014 Leeds Growth Deal largest in country

At least **9,000** jobs to be created and **1,000** new houses by 2021

Up to **£370m** in public and private investment to be generated

Background

West Yorkshire forms the 'urban core' of the wider Leeds City Region. It has the largest number of manufacturing jobs of any city region in the UK, is the biggest financial centre outside London, and has a population of around 3 million and GVA of £56bn per annum. At the same time, the city region faces challenges, with employment having only recently recovered to pre-recession levels; stubborn pockets of unemployment and low-paid jobs; and significant (but falling) numbers of young people not in education, employment or training (NEET). Meanwhile, low levels of inward investment and business start-up, skills shortages, and historic underinvestment in infrastructure hold back growth.

The five West Yorkshire councils – Bradford, Calderdale, Kirklees, Leeds and Wakefield – have a history of collaboration going back to the 1970s. The creation of the Combined Authority in 2014 is the latest step, built on a long history of working together where authorities consider it makes sense to do so. In establishing the Combined Authority, councils have cemented the relationships that helped achieve the largest Local Growth Deal in the country, and now provide a platform for central Government to devolve further powers and resources for local decisionmaking designed to help rebalance the economy. This case study examines how the authorities have come together to form the Combined Authority.

Context of collaborative work in West Yorkshire

The establishment of the Combined Authority in 2014 has given new impetus to longstanding cooperation between authorities, rather than starting it afresh. West Yorkshire's history of joint service organisations includes the Yorkshire Purchasing Organisation (since 1974) and trading standards and archives (since 1986). These initiatives were designed to ensure services are provided more efficiently and with greater resilience. For other functions, tailored arrangements have meant that one council may provide functions on another's behalf.

The political direction of this collaboration is rooted in the five district authorities via joint political structures. For example, prior to the establishment of the Combined Authority, transport had been directed at a West Yorkshire level for many years by the West

Yorkshire Integrated Transport Authority (and before it the West Yorkshire Passenger Transport Authority). The Association of West Yorkshire Authorities was, for 20 years until 2014, a forum for Leaders and Chief Executives of the five authorities to consider matters of West Yorkshire significance and provide oversight of various joint West Yorkshire activities[102]. Latterly, these arrangements were extended to include the City of York because of its significant and strengthening economic ties and interdependencies with West Yorkshire.

Local authorities have made a distinct effort not to compete with each other to the disadvantage of the sub-region as a whole. As the urban core of the Leeds City Region, authorities use the Strategic Economic Plan and Local Growth Deal to articulate a clear, shared vision for what they aim to achieve by 2021: to create at least 9,000 jobs; allow 1,000 homes to be built and generate up to £370m in public and private investment.[103]

Steps to the creation of the Combined Authority

The Combined Authority brings together transport planning and implementation powers with high level economic planning, inward investment and industrial sector strategies. As a statutory body with powers to act across the combined area in conjunction with the constituent authorities, it holds a distinct legal identity that enables it to hold budgets, employ staff and enter into contracts. Moreover, the creation of the Combined Authority is a recognition of the value of having oversight of economic and transport activity in one place, allowing authorities to make sure activities are joined-up and that initiatives in one place make sense in another. This is a significant challenge because there are many differences between the authorities – in terms of geography, economic realities, ways of working and political and cultural priorities.

As part of the 2012 Leeds 'City Deal' with Government (the largest in the country), there was a commitment to review West Yorkshire's transport, economic development and regeneration governance to provide accountability for a proposed £1bn West Yorkshire Plus Transport Fund and devolved freedoms over funding streams where it could be shown that it will be managed appropriately.[104] This has since led to the creation of the country's first apprenticeship academy in Leeds for 14–24 year olds, and a £400m revolving investment fund.

The governance review was part of the legal requirement to assess the case for change, and was undertaken in 2013. Public consultation on the finding of the review and draft proposed Authority governance scheme was held locally in May 2013 and then by central government between November 2013 and January 2014. Ahead of the Order to create the Combined Authority being passed by Parliament on 1 April 2014, a Shadow Combined Authority Board had been in operation since September 2013 to begin practical arrangements such as on governance and structures, a forward programme, and communications and engagement.[105] Thus, local authorities delivered the strong, collective governance model required by the City Deal to take on some devolved economic development and transport powers.

The role and governance of the Combined Authority

The West Yorkshire Combined Authority has a democratic mandate through being

governed by Combined Authority members – a majority of whom must be elected members of constituent local authorities. It is made up of eight elected members from the five authorities. Each appoints one of its elected members – usually the leader of the authority – with three additional members appointed by the constituent councils to reflect the political balance across the authorities. In addition, there are two non-constituent members – the private sector Chair of the Leeds City Region Enterprise Partnership (LEP) and the Leader of the City of York Council.[106] While legislation originally only permitted contiguous local authorities to form Combined Authorities, the reality of functional economic geographies led to the close involvement of the City of York Council. Therefore, the leader of the City of York Council is a non-constituent member of the Combined Authority – until legislative changes permit otherwise. The LEP is represented in order that decisions made by the Combined Authority fully reflect the views of business and this ensures that the two parties collectively own the whole process of developing and implementing the Strategic Economic Plan. In practice, the Strategic Economic Plan was developed by the LEP and adopted by the Combined Authority.[107]

The Combined Authority has responsibility for:

- West Yorkshire & York Transport Fund – a programme of strategic investments in road and rail transport infrastructure worth up to £1.6 billion over 15 years to reduce travel times and congestion.
- Local Growth Fund – £100s millions over the next 10 years including investments in the city region's further education colleges and business grants for growth amongst small and medium enterprises[108].
- European Structural Investment Funds – supporting strategies for economic growth.
- Investments through the Local Transport Plan (around £400m over ten years).
- Over £300m-worth of legacy major transport schemes and other projects:

To link with the wider Leeds City Region agenda, the Combined Authority has a committee of elected representatives of the 11 LCR councils to advise on regional economic prosperity.[109] This formalises into Combined Authority structures the important relationships that saw the Leeds City Region Partnership recognised as one of the first LEPs by the government and then, in July 2014, secure the largest Growth Deal in the country.[110] In negotiating the devolution of further powers from Whitehall, the Combined Authority draws on this history of performance allied with the strong joint governance required by Government.

The importance of collaborative working

Many local authorities recognise that on some agendas acting together, rather than separately, capitalises on the critical mass and strong interdependencies of functional economic areas, principally to increase GVA and more socially-inclusive growth. There is also recognition that each authority has different strengths and weaknesses, so there is merit in working more closely together. Developments in Manchester have added to the appreciation of the value of size in attracting greater funding and powers.

Working with a bigger footprint has resulted in more joined-up discussions - for example, on improving the whole M62 corridor, the connections to the Leeds-Bradford airport

and the connectivity of the main towns. Businesses have also called for closer working – for example, an SME in Halifax has an interest in the efforts of other authorities to attract major companies to the region so it might form part of the local supply chain. One practical way in which the Combined Authority has led authorities in working together to ensure a level playing-field is by all adopting a single appraisal framework for investments. This allows different interventions to be compared on their impact and value for money.

Building on the Combined Authority

To date, the main focus of the Combined Authority has been on economic and transport priorities, with the first programme of transport improvement approvals agreed in December 2014.[111] The report of the Commission on the Future of Local Government[112] highlighted other important aspects for collective sub-regional attention like civic entrepreneurship and delivering services differently. Discussions on public sector transformation, demand shaping and resource configuration take place outside the formal setting of the Combined Authority. Nonetheless, each element relates to the Combined Authority's core purpose of delivering better outcomes and contributing to the economic prosperity of the sub-region. A potential natural development would be to build upon local work on prevention, early intervention, and building resilience in communities to reflect how these relate to specific strategic transport and economic functions. The Combined Authority offers the opportunity to make such efforts more systematic and encourage the sharing of good practice.[113]

Lessons from West Yorkshire

- **Bringing a group of authorities together requires a common analysis of the main issues and recognition of mutual benefits**: These include a common understanding of the challenges leading to agreed shared objectives, specifying the mutual benefits of working together. Approaches such as the single appraisal framework for prioritising projects also helps to provide consistent analysis which informs decisionmaking.
- **Collaboration requires sensitive handling between different parties**: for example, around working together for mutual benefit and ensuring similar levels of support for the Combined Authority.[114] Determination of what should be done by the Combined Authority and what locally is also important, as is the understanding that the Combined Authority cannot act alone and must operate as an equal partner of the constituent bodies, including in sharing rewards.
- **The need for careful handling underlines the importance of the role of senior players committing to collaboration**: Elected members and chief executives need to be good at compromise and negotiation, being willing to consider cross-boundary issues, and looking to develop the quality of existing relationships. In the West Yorkshire case, this is reinforced by the existence of a shared vision of success amongst members, and underpinned by a set of common principles about ways of working – pragmatism, realism, retaining local discretion, complementing change taking place within individual authorities and learning from experience.
- **Collaboration between authorities provides scale**: By collaborating, the authorities

have been able to act on a scale which could not have been done individually and a number of funding mechanisms feed through the City Deal which would never have been available to individual authorities. In addition, the inward investment strategy created by LEP is on a scale which individual authorities could never have developed on their own.

- **Collaboration also helps provide momentum**: The Combined Authority allows developments and links with other agencies to move at pace, rather than require five separate conversations. Thus, there can be one meeting at which everyone agrees way forward, and does not need to rely on multiple meetings and individual relationships. This helps to reduce process. The Combined Authority also has the effect of reinforcing the resilience of other collaborative arrangements.
- **There are important communication issues**: at a time of severely declining local authority budgets and scepticism about different levels of government, it is important that the role of the Combined Authority and its significance is explained and integrated into Districts' communication activities. The Shadow Board agreed on the critical importance of engaging with local residents to help them understand the purpose of the Combined Authority.

Annex B. 'Reform deal' model – Evidence used

Commitments from central government	Supporting evidence
Funding • Pooling funding at source • Continuity of funding and the potential for multi-year investment deals • Direct funding to local areas • Flexibility in using locally controlled or generated funding	• The Better Care Fund has already enabled authorities to pool budgets and to shift resources into a variety of services. • Funds currently used for local community development to be joined up to create a single community development team to tackle community issues (*Suffolk case study*). • Multi-annual funding crucial for making investment upfront to help with demand reduction and the improvement of specific outcomes in the longer term (*workshop outcome*). • Devolving direct funding to local areas could better enable implementation of local programmes (*Greater Essex 'Skills for Growth' initiative*). • Freedom for places to make use of locally derived resources, for example, using receipts from surplus public sector assets (*Derbyshire case study*).
Incentivising collaboration • Departments encouraging local agencies to collaborate • Engaging with authorities on a collaborative basis (e.g. by allowing local authorities to put themselves forward for funding)	• Where participation of government agencies is needed, a stronger steer from central departments to local offices to participate in local initiatives can be crucial to success, e.g. in the area of integrated multi-agency approaches (*Surrey and Cheshire West and Chester case study*).
Simplifying regulations • Flexibility for local authorities to align programmes • Integrated commissioning • Simplification of data sharing and governance	• Removal of constraints on how funds can be shared across local authorities, e.g. needed in the case of the Troubled Families programme. • Need to integrate commissioning in areas such as health and social care as one system rather than two separate systems (*Cornwall case study*). • Simplification of data sharing between different organisations could have a major impact on monitoring and evaluating outcomes (*Surrey*, *Cheshire West and Chester, Cornwall case studies*).
Supporting local areas • Assistance for service design, capacity building and knowledge transfer • Avoidance of target-driven burden associated with reporting mechanisms	• Targeted central government input can be beneficial for setting up local initiatives, e.g. through support from secondees (*Devon, Cheshire West and Chester, Cambridge case studies*). • Avoidance of centrally set reporting of indicators of performance that does not also meet the needs of localities (*workshop outcome*).

Commitments from the local level	Supporting evidence
Focus on outcomes and efficiency • Commitment to clear and specific outcomes for residents and reduced costs • Reporting progress on basis of appropriate measures • Community engagement and measuring of 'democratic' outcomes *Robust governance and capability* • Planning of effective governance structures and accountability mechanisms • Commitments on engagement with relevant stakeholder groups *Role of evidence and data collection* • Commitment to robust evidence collection and use for building programmes • Building of data collection and monitoring capacity • Commitment to continuous improvement and learning *Accountability* • Ensuring public accountability and engagement with formal processes such as audit approaches, gateway reviews, etc. • Maintaining ambition and creativity for local innovation • Developing and assurance framework to better deliver on accountability	*Discussion with places during workshop*

Annex C. List of interviewees

Place	Role
Cambridge (A)	Head of Corporate Strategy Cambridge City Council Head of Transport, Infrastructure, Policy & Funding, Cambridgeshire County Council
Cheshire West and Chester (B)	Programme Manager, Change Management Service, Cheshire West and Chester Council Finance Manager – Major Projects, Cheshire West and Chester Council
Cornwall (C)	Chairman, Volunteer Cornwall
Derbyshire (D)	Programme Manager – Innovation, Derbyshire County Council Head of Policy and Research, Derbyshire County Council
Devon (E)	Partnership Research Manager, Strategy, Policy and Organisational Change, Devon County Council Head of Strategy, Policy and Organisational Change, Devon County Council
Greater Essex (F)	Commissioner for Employability and Skills, Education and Lifelong Learning, Essex County Council Head of Commissioning for Education and Lifelong Learning, Essex County Council
Suffolk (G)	Change Manager, Suffolk County Council
Surrey (H)	Head of Family Services, Children, Schools and Families Directorate
West Yorkshire (I)	Director of Resources and Section 151 Officer, West Yorkshire Combined Authority Chief Executive lead on public service transformation

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