



MANCHESTER
CITY COUNCIL

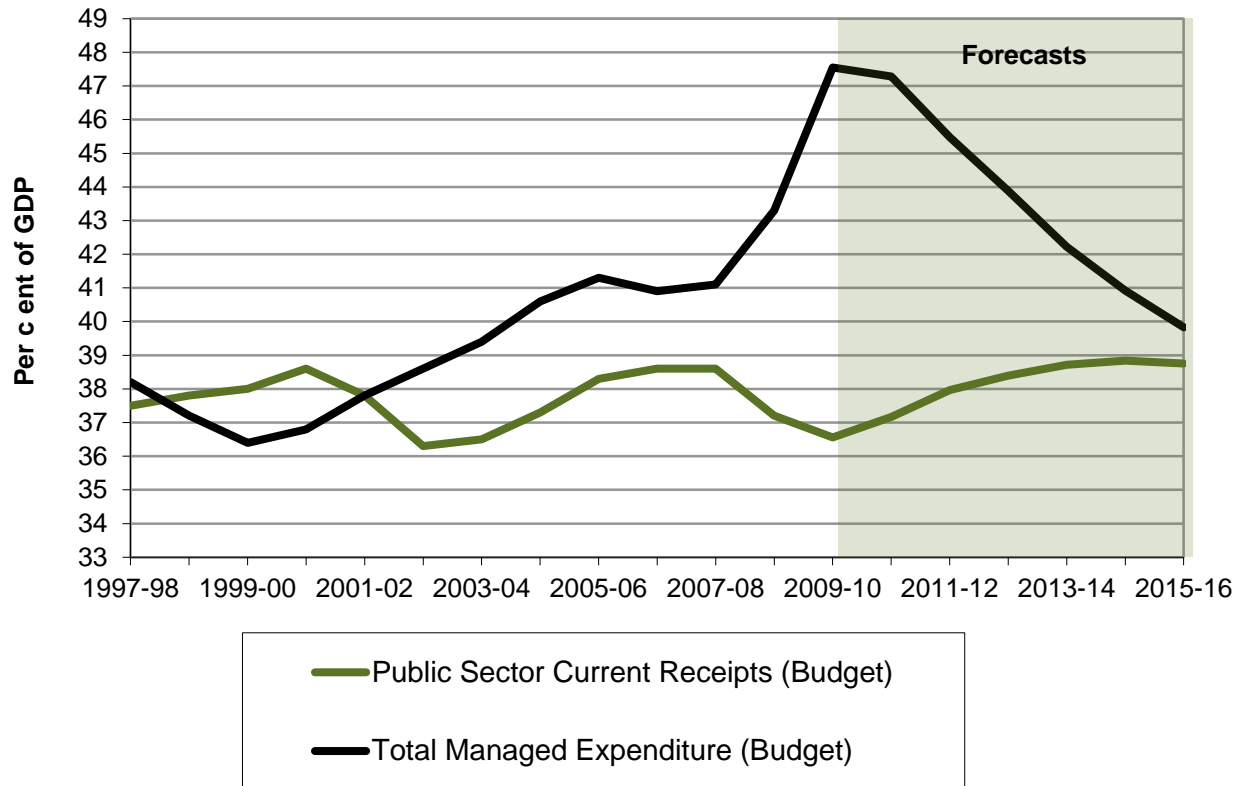
Community Budgets:

Whitehall to Town Hall

James Binks

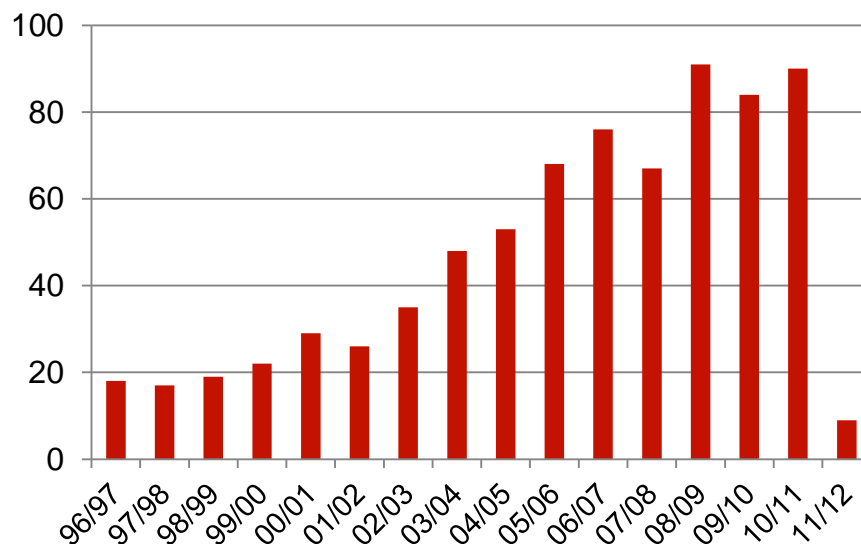
Public Service Reform and Economic Growth

Receipts and Total Managed Expenditure (SR2010)



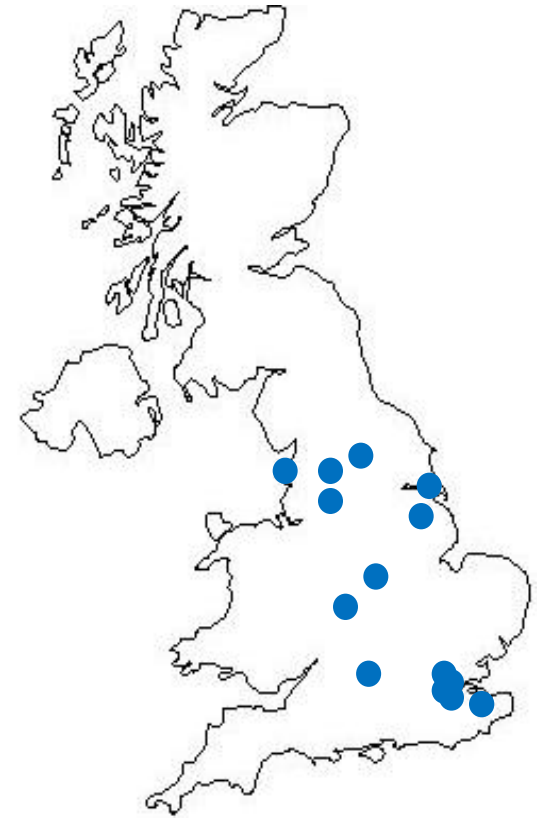
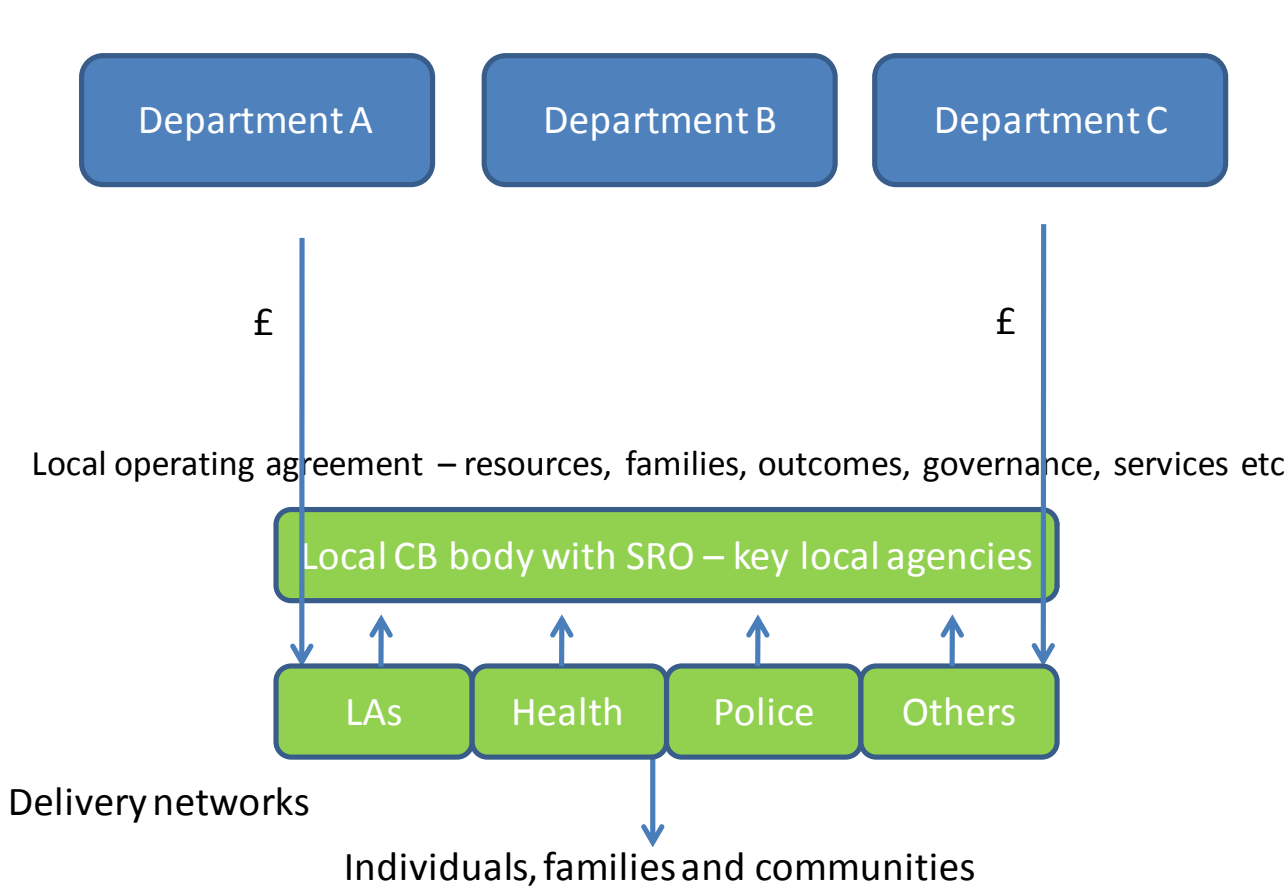
Unprecedented financial devolution to councils

- £4bn+ grants rolled into formula grant;
- Reducing the number of separate grants from over 90 to fewer than 10; including single, streamlined £2bn Early Intervention Grant
- Removing all ringfences on revenue grants except schools and public health
- Scrapping 4700 performance targets in LAAs, and CAA:

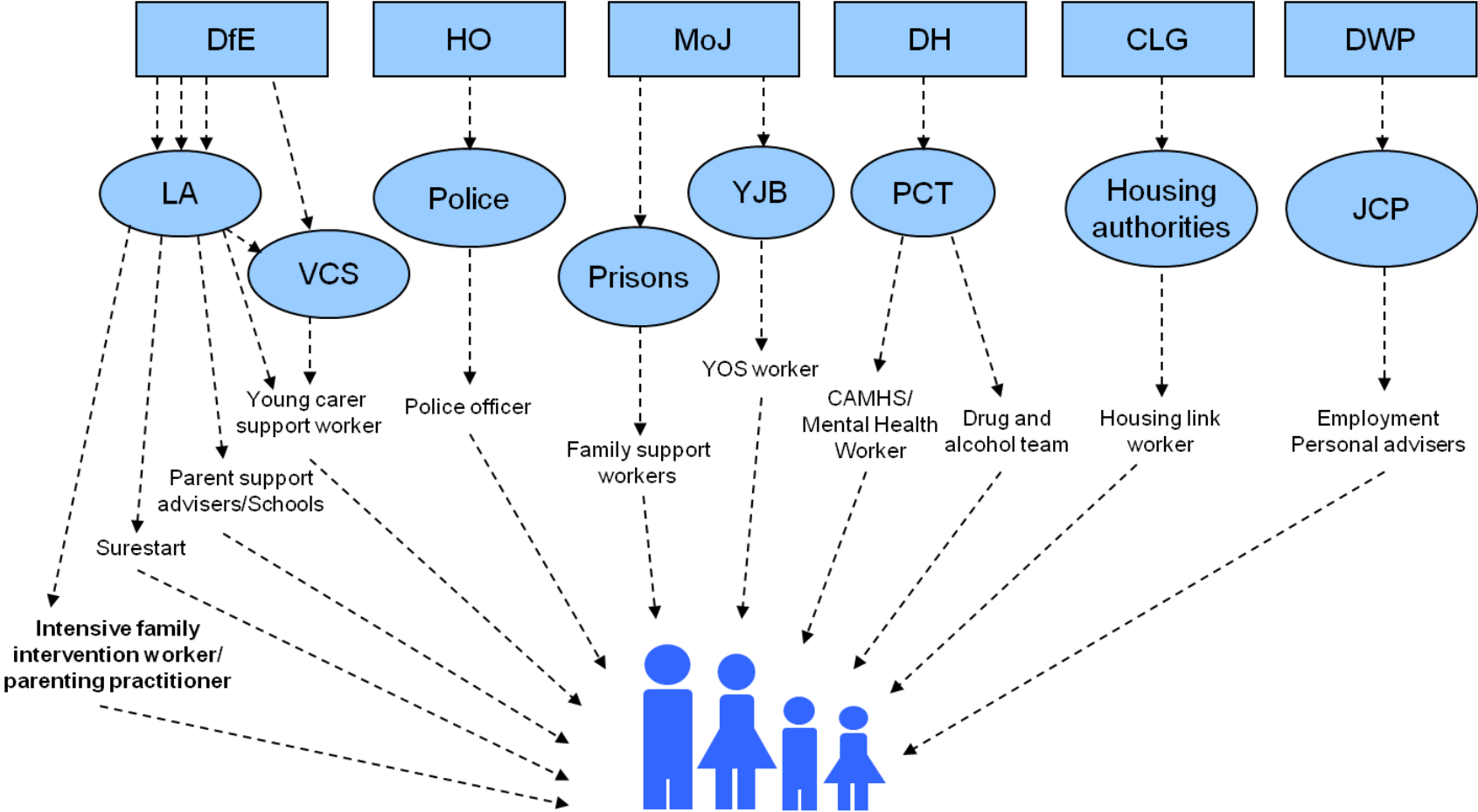


UNCLASSIFIED

Community Budgets



Business As Usual



Manchester's CB approach

Incremental Investment
e.g. testing of new approaches

CBA used to implement evidence based interventions that deliver an incremental return on BAU

Elements of the cashable saving reinvested in further new interventions/business models.

Delivery of Incremental Savings

Cashability of Savings

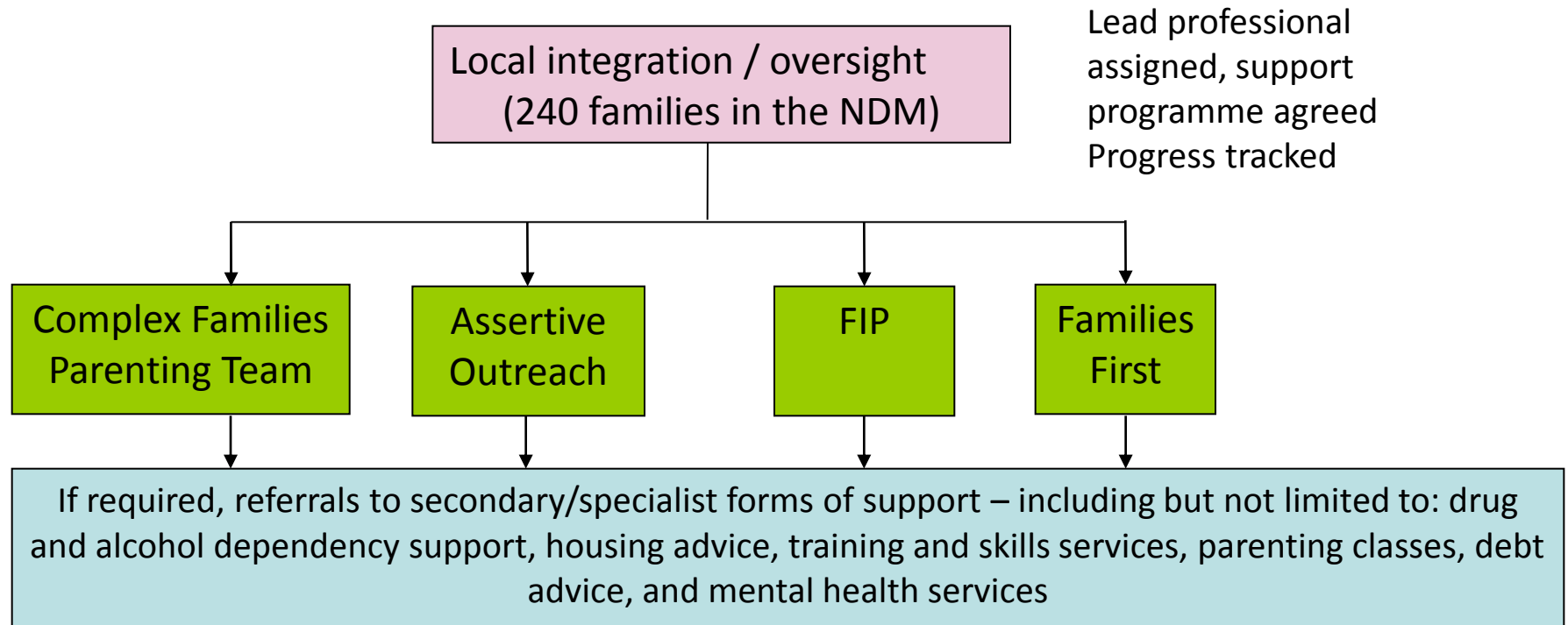
Outcomes of new initiatives achieved & evidence base further developed. Successful proposals are scaled up into mainstream & business as usual decommissioned to generate a cashable saving.

Potential tools and funding sources to kick start the initial investment include;

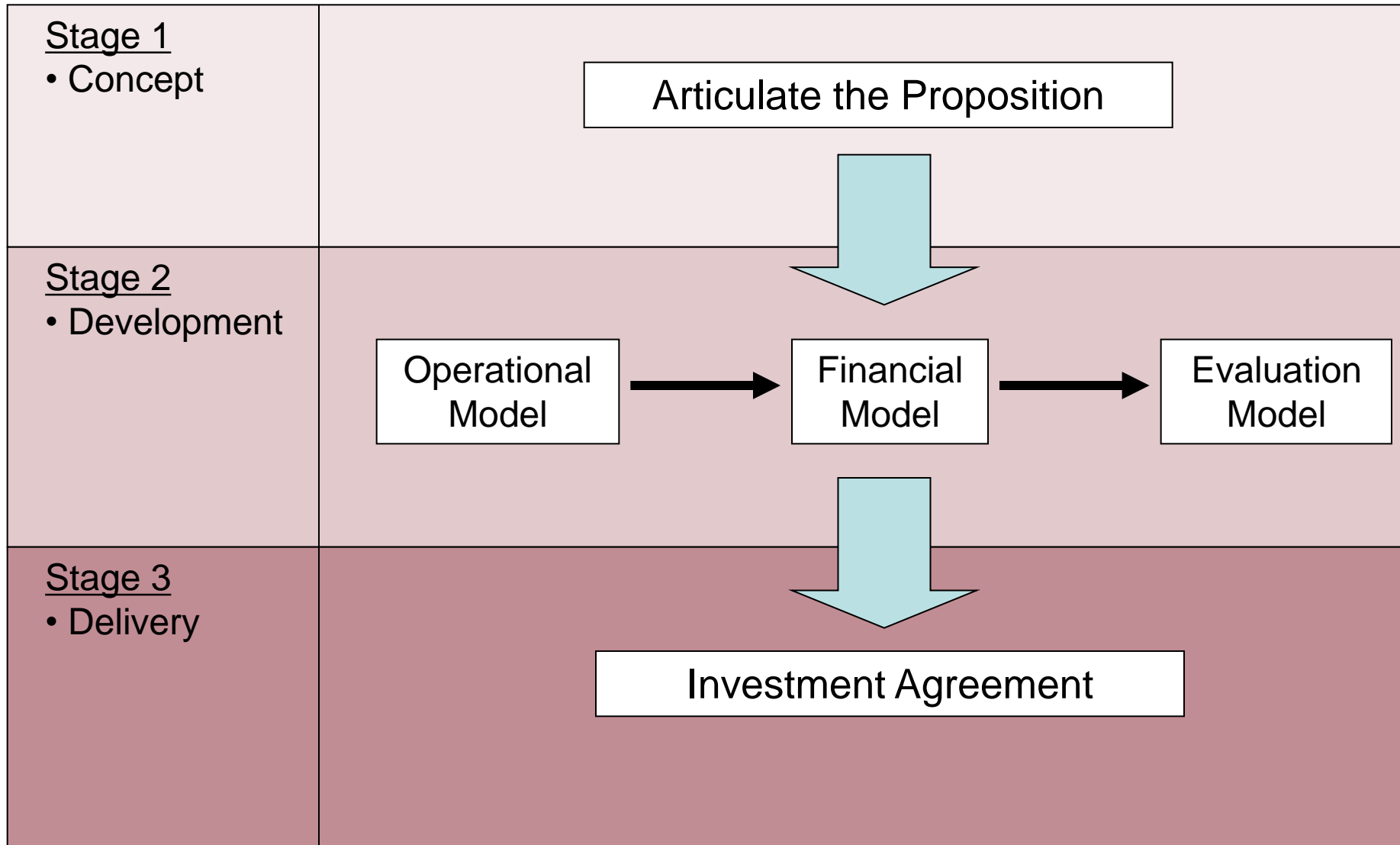
- Community Budgets
- Social Impact Bonds
- Payment by Results Contracts
- Prudential Borrowing/Reserves
- Internal Resource

The mechanism used will depend on the particular circumstances of the business case (level of risk, amount required, agency to whom benefits accrue etc).

Operational model



Investment Agreement Process



Cashability issues

- **Internal costs**

- Staff: Natural wastage
- Transferable skills
- Premises costs

- **External costs**

- Procurement
- Contracts / leases

- **Deciding to decommission**

- Requires overall reduction in demand
- NDM / BAU – 240 families
- What about the flow of complex families?
- And are we shunting cost onto mainstream public services?
- Upfront decisions about where, when and how to decommission, across all relevant partners

Next steps

- Scaling up
 - Up-front investment
 - Payment by Results
 - Capacity
- Sequencing and prioritisation
- Robust evaluation
- Definition and data sharing
- Ringfences

Whole place Community Budgets?