Overview & Scrutiny

Governance and Resources Scrutiny Commission

All Members of the Governance & Resources Scrutiny Commission are requested to attend the meeting of the Commission to be held as follows:

Monday, 16th March, 2015

7.00 pm

Room 103, Hackney Town Hall, Mare Street, London E8 1EA

Gifty Edila
Corporate Director of Legal, Human Resources and Regulatory Services

Contact:
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Members: Cllr Rick Muir (Chair), Cllr Deniz Oguzkanli, Cllr Will Brett, Cllr Laura Bunt, Cllr Rebecca Rennison and Cllr Nick Sharman

Agenda

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Hackney

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Providing oral commentary during a meeting is not permitted.

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Hackney

Governance and Resources Scrutiny Commission	Item No
16th March 2015	**4**
Minutes and Matters Arising	

Outline

Attached are the draft minutes from the meeting on 9th February 2015.

Action

The Commission is asked to agree the minutes.

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Hackney

London Borough of Hackney
Governance and Resources Scrutiny Commission
Municipal Year 2014/15
Date of Meeting Monday, 9th February, 2015

Minutes of the proceedings of the Governance & Resources Scrutiny Commission held at Hackney Town Hall, Mare Street, London E8 1EA

Chair	**Councillor Rick Muir**
Councillors in Attendance	**Cllr Will Brett, Cllr Laura Bunt, Cllr Rebecca Rennison and Cllr Nick Sharman**
Apologies:	**Cllr Deniz Oguzkanli**
Co-optees	
Officers In Attendance	**Mark Griffin (Head of Environment and Waste Strategy), Michael Honeysett (Assistant Director Financial Management), Tom McCourt (Assistant Director - Public Realm) and Ian Williams (Corporate Director of Finance and Resources)**
Other People in Attendance	**Councillor Feryal Demirci (Cabinet Member for Neighbourhoods), Councillor Geoff Taylor (Cabinet Member for Finance) and David Beadle (Managing Director)**
Members of the Public	1 member of the public
Officer Contact:	**Tracey Anderson** ☎ 020 8356 3312 ✉ tracey.anderson@hackney.gov.uk

Councillor Rick Muir in the Chair

1   Apologies for Absence

1.1   Apologies for absence from Cllr Deniz Oguzkhanli.

2   Urgent Items / Order of Business

2.1   None.

3   **Declarations of Interest**

    3.1   None.

4   **Minutes of the Previous Meeting**

    4.1   Minutes were agreed subject to the amendments below in point 4.4.

    4.2   Cllr Sharman commented the minutes did not reflect as an outcome from the discussion, the willingness to think about joint commissioning by service providers and commissioners.

    4.3   The Chair and Cllr Sharman referred to the discussion item on Executive Response to the ICT Review. They wanted it noted that technology and the Council's ICT strategy would be critical for the future of the organisation and key in the next phase of development for services to reconfigure successfully.

    4.4   The Chair requested for an amendment to point 7.1.2 bullet point 3 on page 10 for accuracy in relation to the difference between all political parties and their plan to tackle the UK's deficit. The statement should read 'Although the main parties have different fiscal positions overall, whatever the outcome of the election the settlement for local government is likely to be poor'.

RESOLVED	Minutes were approved subject to the amendment in point 4.4.

5   **North London Waste Authority Update**

    5.1   The Chair welcomed to the meeting Councillor Feryal Demirci, Cabinet Member for Neighbourhoods London Borough of Hackney (LBH), David Beadle, Managing Director from North London Waste Authority and Tom McCourt, Assistant Director Public Realm from LBH. Also in attendance was Mark Griffin, Head of Waste Services from LBH.

    5.1.1   The Cabinet Member for Neighbourhoods opened the discussion by explaining the decision was taken to end the major joint procurement process being led by NLWA on behalf of the 7 Boroughs. The NLWA Officer, Cabinet Member and Officers from LBH provided an update on the future plans, costs and the reasons why the decision was taken to end the procurement process for waste services.

    5.1.2   Members thanked the Cabinet Member and Officers for the paper provided in advance of the meeting. Members asked for clarity on the following:
- Reasons for strategy change?
- How the partnership can be successful?
- Rationale for menu pricing and its impact on the Council's budget?
- NLWA's work to change residents' behaviour?
- Evidence that supports this approach to show it will be successful?

5.1.3 The Managing Director from NLWA referred to the paper in the agenda on pages 17 – 22 and highlighted the key points below:

- The procurement process started in 2007. The service contracts needed to be replaced by 2014. NLWA started the PFI procurement process with publication of an OJEU notice for tender of two contracts for waste services.

- The requirements to contract out waste disposal functions was repealed by Section 47 of the Clean Neighbourhoods and Environment Act 2005.

- In 2009 the NLWA acquired ownership of the Edmonton waste incinerator at the Edmonton site.

- Previously, proposals to extract energy from waste was not viewed as favourable and the NLWA could not carry out waste conversion on the Edmonton site, so they started the process of looking for a new site. Since the start of the procurement process the likelihood of obtaining planning consent for the NLWA's proposals to extract energy from waste has become a strong possibility.

- In addition 2 major planning policy documents were published that supported the NLWA waste service proposals.

- The NLWA has been informed the current Edmonton site will be available until 2025 (with an appropriate maintenance plan). This has enabled the NLWA to continue using the Edmonton site until new facilities can be found.

- The conversion of waste to energy on site would be the most efficient process.

- The PFI procurement process was a long process and as this progressed the situation regarding planning consent started to change in favour of the NLWA proposals and plans.

- During the tender process the bidders reduced to one bidder for each contract.

- Following the planning authority changes and the reduction in the competition in the procurement process. The NLWA reviewed the procurement to decide if it was in their best interest to proceed to the final stages - in light of the reduced competition and lack of competitive tender – and potentially award 2 long term contracts. The review found in the short to medium term if they proceeded with the NLWA plans they could save £900 million. After this review the decision was taken to end the procurement process in favour of the NLWA plans.

- NLWA has completed the first round of consultations about the proposals and demonstrated how they will feed heat into Lea Valley. The GLA has responded to their consultation and expressed support for the plans.

- The second round of consultations will be completed in the summer of 2015. The comments from this consultation will inform the refresh of the North London Joint Waste Strategy (NLJWS).

- In the short term the NLWA will continue to use the Edmonton site.

- The NLWA only manages the waste for the 7 London boroughs and has no external contracts.

- NLWA plan to have no waste going to landfill sites from 2025 but this could be as early as 2018/19.

5.2   **Discussion, Comments and Queries**
       Members made the following enquires:
   a) **Did NLWA plan to replace the Edmonton site or did they have the ability to stay and do something different?**
   b) **How the loss of the PFI would affect the waste authority's ability to raise finance and if this would mean higher interest rates?**
   c) **If the introduction of the land fill tax in 2013 started a panic which has resulted in the local authorities paying a heavy price for a long procurement process?**

The Managing Director from NLWA explained the Government decided to pass on the cost of waste applied by Europe, however the waste authority had a policy to reduce the volume of waste taken to the land fill to 35%. He also advised the NLWA converted a large proportion of the waste collected into energy, so they were unlikely to incur large costs.

If the NLWA had proceeded with the procurement and awarded the new contracts the long term costs would have been more significant.

In response to the question about finance NLWA confirmed all the boroughs would make the decision about how to procure a new site and consider the finance options. If the NLWA is given planning permission to proceed with their plans, it is anticipated a decision would need to be made in 2017; and it is at this stage that the boroughs would need to consider the advantages and disadvantages of each finance option.

The Assistant Director for Public Realm from LBH informed the make-up of the Borough is 42% street properties and 58% estate housing. He also updates the Commission about recycling participation rates on estates, in blocks and from street properties. It was also explained the type of housing tenure also provided some challenges and for this reason Public Realm were reviewing how they could drive up recycling for street properties and address the issue of low recycling rates in blocks.

Parallel to the street campaign the Council is working in partnership with Hackney Homes to drive up estate recycling. Through this work they are reviewing current recycling facilities to ensure they have the appropriate infrastructure to achieve resident buy-in and increase recycling. This work will help the Council to identify where to focus resources and drive up rates.

The Commission was informed that recycling rates in London have either remained stable or declined and in Hackney the rate has remained stable.

   d) **Members enquired if research or evidence was available that identified barriers to recycling for estates.**

The Head of Waste Services from LBH advised WRAP had published a report in December 2014 about the barriers, which has taken into consideration the work completed to encourage recycling from 2008. This reported has helped to highlight areas of improvement for LBH and identify that in some locations residents are going too far to access facilities. The report recommends the

maximum distance should be 30 metres away and currently in Hackney facilities are approximately 60 metres.

The Assistant Director of Public Realm from LBH advised they are conducting pilots to kick start engagement and partnership working with TRAs to help the Council identify the barriers to recycling.

e) **Members enquired if lesson could be learned about partnership working for joint waste services from other local authorities. Members also asked for clarification about the method used to extract energy from waste and the pollution levels.**

The Cabinet Member for Neighbourhoods from LBH advised it is a statutory requirement for all boroughs to be part of a waste authority. The NLWA's strategy outlines how the 7 boroughs work together and all communications about waste services and recycling is carried out by NLWA to ensure a consistent message across all boroughs.

The Cabinet Member for Finance from LBH pointed out all boroughs are still learning how they can encourage local residents to recycle more.

The Head of Waste Services from LBH informed the strategy has been for all boroughs to achieve 50% recycling rate and other authorities have come to Hackney to review the Council's work to encourage recycling. He explained inner city boroughs were often compared to suburbs like Enfield but inner city boroughs like Hackney will not produce the same level of recycling waste like Enfield.

f) **Members enquired if the NLWA had sufficient resources at the front end of the process and asked if they had undertaken major campaigns to change behaviour and improve estate recycling rates. Members also asked if consideration was given to implementing compulsory recycling.**

The Assistant Director of Public Realm from LBH confirmed the aim was to have all social housing blocks recycling on par with private housing blocks. Currently new build properties were achieving a higher rate approximately 20%. The challenge was with existing estates. To tackle this the Council was working with housing partners to help them recognise that improving waste recycling rates was a joint concern.

The Cabinet Member for Neighbourhoods from LBH added the Council has completed work to identify areas of improvement. A key challenge in this area was enforcement powers. She explained enforcement relies on the ability to identify the culprit; in communal areas this was difficult coupled with the fact that each estate was unique.

It was highlighted the Council had recently helped partners to understand the costs of recycling and waste to the Council. The Council was working with housing providers to persuade them to invest and put in place the appropriate infrastructure to improve recycling rates. After achieving this the Council would focus on improving communication to challenge a person's behaviour and take the necessary action.

g) **Members enquired if the Council considered using peer pressure as a tool of persuasion to change behaviour.**

The Cabinet Member for Neighbourhoods from LBH pointed out on estates it was unlikely that a person would see their neighbour recycling, so peer pressure was unlikely to be effective.

The Assistant Director of Public Realm from LBH informed they were working with Hackney Homes to review how they could change their waste management approach.

The Cabinet Member for Finance from LBH pointed out different communities resided in estates and this would have an impact too, therefore the Council also needed to understand these nuances.

h) **Members expressed concern that not enough was being done collectively to really drive up recycling rates. Members believed more could be done collectively by the boroughs to drive up recycling across North London.**

The Managing Director from the NLWA informed the Commission the waste authority's strands of work include: joint communication, behaviour change messages and research to identify how to influence change. NLWA also do waste prevention work and a strong element of this activity is to influence and change behaviour.

NLWA propose to use the latest technology to extract energy from waste. As the NLWA develop their plans they will consider the option of doing this on their own site or another site and incurring costs. Their proposals include new facilities and using the latest technology to reduce flu (Knox) gases in line with countries like Holland. To date NLWA flu gas levels are found to be acceptable.

The two options open to waste authorities is landfill or energy waste. It was noted the UK uses soft persuasion to encourage households to recycle. The Commission noted to enforce recycling stronger levers would need to be implemented to obtain better co-operation from the public. The Commission was informed an expert giving evidence from Milan to the GLA highlighted they had powers to enforce food waste on estates.

i) **Members enquired if the NLWA had considered public health concerns and asked for clarification on the type of Knox emissions emitted from the site and if NLWA had measured the impact on local air quality.**

The Managing Director from NLWA advised they had made improvements to the technology used and this had reduced their gas levels. A comparison of waste incinerator targets to the Edmonton site showed it was well below the target level.

In relation to public health concerns a new public health report was due to be published and this would show if there was a direct link between Knox emissions and public health.

j) Members referred to the uncertainty around planning consent and enquired if this presented a big risk to NLWA.

The Managing Director from NLWA explained the waste authority was implementing its plans slowly. The first phase was to stabilise costs and keep the cost of waste disposal as low as possible. NLWA can use the current site until 2025. This means they have until 2016 to obtain planning consent for a site. If planning permission is not granted the waste authority can still go to the open market to find service providers.

k) Members enquired about public opinion to NLWA's plans.

The Managing Director from NLWA advised they have completed an initial consultation which provided information about their plans and showed pictures of what the site would look like. The information was distributed to properties within a 1 ½ mile radius from the Edmonton site. The second consultation will seek views and this will commence in May 2015.

l) Members enquired about the menu pricing information and asked for the rationale behind changing to this pricing structure.

The Managing Director from NLWA advised historically the charges to each borough were based on an average of the waste costs. The concept behind the new pricing menu is for Boroughs to pay for the services they use. The menu pricing will incentive boroughs to think about their waste and move in line with the NLWA targets and waste disposal plans.

m) Members asked to see the Council's action plan to address the current gaps in performance to understand how they will move the borough's waste disposal in the right direction to achieve the desired target levels.

The Assistant Director of Public Realm from LBH informed the Council's strategy was approved by Cabinet. They are currently waiting for the outcome of the composition survey which will inform the targets. All waste action plans are based on the NLWA strategy. They have information on where to target and they will focus on streets because this is where they get the greatest return.

The Cabinet Member for Neighbourhoods from LBH advised they have outlined to Living in Hackney Scrutiny Commission their work programmes which has multiple work strands.

The Council is working to improve rates and will take decisions in relation to the NLWA plans in the not too distant future. At this point the Council will need to decide how much it will invest in the capital programme to implement the infrastructure.

n) The Chair requested to be kept updated on the NLWA 2020 plan.

This was agreed.

The Corporate Director Finance and Resources from LBH pointed out LBH Finance has worked closely with the NLWA throughout the whole process. He

commended the work of the Managing Director (David Beadle) from NLWA and thanked him for his work in providing information and evidence that enabled the Boroughs to confidently make the decision to stop the procurement process and pursue other plans.

6   Fees and Charges Update

6.1   The Chair welcomed to the meeting Councillor Geoff Taylor, Cabinet Member for Finance and Ian Williams Corporate Director of Finance and Resources from London Borough of Hackney. Also in attendance was Michael Honeysett, Assistant Director, Financial Management from London Borough of Hackney.

6.1.1   The Chair explained the 2015/16 budget report was still being finalised. In the absence of the budget report G&R was presented with the Medium Term Planning Forecast (MTPF) report (discussed at Cabinet) which sets out the 2015/16 budget proposals.

6.1.2   The Corporate Director of Finance and Resources highlighted the cover note summarised the approach taken to fees and charges and built on the work of G&R from their Fees and Charges Review.

6.1.3   The Corporate Director of Finance and Resources advised under the previous governance structure the budget report was presented to the Overview and Scrutiny Board. This board was disbanded and the budget report has been moved to G&R. He explained the date of G&R meeting in February was too early in the process of the budget report production to enable it to be presented to the Commission. To avoid this in the future a request has been made to move the G&R meeting in February to a later date in the month to enable the budget report to be presented and discussed.

6.1.4   The MTPF report provides information on the 2015/16 budget. It was pointed out the Council proposes to continue with the existing policies and approach taken to achieving savings.

6.1.5   Since the publication of the agenda the Corporate Director of Finance and Resources advised the Council had received the following confirmation in relation to the budget:
*   The finalised local government settlement
*   The Government has reduced the DHP in the Revenue Support Grant by £600,000
*   The Social Fund Scheme was reduced to £1.4 million.

6.2   **Discussion, Comments and Queries**
   a) Members referred to page 53 and commented Council Tax income would become one of the largest proportions of the Council's income in the future. Members expressed concern as previously local authorities have not relied heavily on this as a source of income.
   b) Members enquired about the next phase or approach to achieving savings once the current principles were exhausted?
   c) Members asked to be involved earlier in the process for the production of the MTPF.

d) **Members wanted to know the Council's view on the type of organisation it will become in the future?**

e) **Members queried if the report presented financial projections or provided solutions.**

f) **Members commented the report did not give them a clear indication of what proportion each service area has contributed to the cuts.**

g) **Members enquired about the strategy taken to form the projections and the Council's plan for the next five years?**

The Cabinet Member for Finance informed the Council has been successful in achieving year on year savings through technology, back office efficiencies and officer output increasing. The Council is working on proposals to achieve the savings required for 2016/17 budget. The Cabinet Member pointed out there was no sign of an end to the pressure of cuts on local authority budgets and the longer they continued the more affect it will have on the Council.

The Corporate Director of Finance and Resources advised the report outlined the strategy taken to achieve the 2015/16 saving. The Council's forward planning has enabled the Council to provide projections for budget savings.

Following the Government's announcement on the financial settlement for 2015/16 it was noted the projections made by the Council and assumption on the amount of saving to be achieved has not been impacted and remained unchanged.

After the General Election in May 2015 the Council hopes to have the majority of information on the financial settlement to be in a position to make projections on its income up to 2018/19.

The approach taken to date has been aimed at driving out inefficiencies within the organisation and ensuring all options have been exhausted before considering reductions to services. This will ensure that, if in the future, the Council needs to take such decisions they are confident all avenues have been explored.

h) **Members commented taking into consideration the reduction in funding they wanted to understand how hard decisions about services might be made.**

Members were informed the Council has an understanding of its spend; the next step now was to identify the costs associated with the different service provisions, to help make the decision about the form a service provision should take.

i) **Members pointed out a 50% reduction in the income of an organisation will change its ability to deliver existing services. Members referred to the principles being applied to achieving the efficiencies and noted 2 of them impacted on staff. Members enquired at what point cuts to staff would no longer be achievable and asked how long this approach could continue to be applied without impacting on the health and wellbeing of staff?**

The Corporate Director of Finance and Resources explained organisations developing and improving start acquiring and recruiting a higher quality of staff with higher performance levels.

It was pointed out the Council has a high staff satisfaction rate and staff sickness levels are in line with other boroughs. It was highlighted one aspect the Council did need to give consideration too was that it had an aging workforce.

j) **Members enquired about the Council's HR strategy in relation to the saving principles applied.**

Members were informed the Council has a workforce strategy underpinned by a range of action documents to support implementation.

The Cabinet Member for Finance explained to Members changes in income outlined in the reports related to external funding and this did not include the income generation plans of the Council. He pointed out the Council is a provider of statutory and non-statutory services and the Council may get to a point when it needs to decide on the form these statutory services will take.

k) **Members requested for an update on the results of the staff survey and wished to monitor this to observe staff morale as the organisation changed.**

l) **Members expressed concern about the sustainability of the cuts made and how long the strategy and principles could continue. Members enquired if the cuts were long term changes or just solutions to get through a financial crisis?**

Members were told the strategy and principles applied have been in operation since 2011/12 and the changes sustainable. A report is provided each month to Cabinet outlining the Council's budget position and the Council was on track for the 13th consecutive year to deliver a balanced budget.

It was pointed out that in tough times often an organisation cuts areas like training for staff and maintenance costs, but these cuts can have long term implications for an organisation e.g. staff may not have the skill sets required in the future.

The Members were informed the Council has been operating a voluntary redundancy scheme across the organisation. The process has been managed to ensure they do not lose key staff that would result in an impact to service provision.

It was noted the Council is beginning to see some pressure points in the system but this is a reflection of the pressures London as a whole is facing.

The Cabinet Member for Finance highlighted the cost of housing in the borough was another key challenge. The impact of which was that local government pay could not keep pace with the cost of local housing and people were beginning to relocate.

The Corporate Director of Finance and Resources agreed with the Cabinet Member that the diversity of the workforce may become a key issue. Highlighting the Council may in the future find it hard to recruit to key front of house roles if issues like rising housing costs are not addressed.

m) **Members enquired about the Better Care Fund and asked if this funding covered existing and new activity.**

n) **Members referred to the point about education funding on page 73 and enquired if resource constraints on service provisions like Early Years and SEN was as a result of schools being able to sit on healthy reserves because their budgets were protected.**

The Corporate Director of Finance and Resources confirmed this issue was being discussed at a national level in education forums. He explained the national formula applied constrained local authorities, with all funding being delegated to schools. It was reported that the amount held in reserves by academies (4,400) was larger than the amount held collectively by the 18,700 maintained schools.

It was noted that a school's governing body had the power to decide if the school became an academy. Therefore this area is not an easy place to drive out efficiencies.

In Hackney the maintained school balances are £20.451 million and this is monitored. Some schools may hold a high level of reserves and in some instances this was to fund capital investment programmes. The Council is engaged with schools to monitor this and will make efforts to redistribute some of the funding if high reserves are identified.

In relation to the Better Care Fund it was noted Hackney's spending power has reduced by 6%. This takes into consideration the £18 million paid to CCGs as opposed to local authorities under the Better Care Funding. It was highlighted this included funding that was previously paid into the Social Care Grant, that was now redirected to the Better Care Fund.

In response the Chair suggested the Commission has a session to understand the local context in relation to the Better Care Fund and its impact on the Council's budget.

o) **Members commented the MTPF report did not present a clear picture of what the Council may look like in the future or outline possible costs and options for 2018/19 budgets.**

p) **Members queried if the Council was giving consideration as to how it would meet the needs of local residents and provide services as the local population was increasing and the Council's income was decreasing.**

q) **Members enquired about the strategies used in the past and the proposals to move forward.**

r) **Members wanted to understand if the Council was in a position to anticipate which services could continue to provide in its current form and what services would need to change.**

s) Members challenged officers about how long the Council could continue to operate the same efficiency strategy and asked how technology would feature in service provision to help reduce costs.

The Corporate Director Finance and Resources explained the budget report going to full Council in February provided more detail about the budget and strategy.

t) Members enquired if the strategy and role of the MTPF document had changed over time or been refreshed?

The Corporate Director of Finance and Resource advised the document had evolved overtime as the landscape has changed.

The Cabinet Member for Finance pointed out there was a difference between having a strategy and a plan. In the current climate the Council could not put a plan in place because of the frequent changes and their priority at the moment was to have a strategy.

7   **Whole Place Review: Long Term Unemployment and Mental Health**

7.1   The Chair referred to the draft Service User Research Specification for the qualitative research on pages 93 – 98. He explained this document outlined the proposed methodology and criteria for participant selection.

7.2   The Chair informed the Commission he would be meeting with officers from the research company on 13th February 2015 and welcomed any comments from Members to feed into this discussion.

7.3   Members of the Commission provided the following comments:
- Asked for the research criteria to include geographical spread across the borough.
- Asked for consideration to be given to using other workshop models if applicable.
- Asked for the research information to highlight any areas of overlap identified from the participant's story.
- Asked for the criteria to include people on and off benefits. Members pointed out some people have come off the ESA / IB benefit or may not be receiving any benefit.
- Asked for clarification on the method of analysis that will be used.
- Avoid using the word 'service user'.
- Record if a participant has comorbidity and note the types of disability a person may have.
- On page 97 amend EAS to ESA.
- Change point E to be 2 years on.

7.4   Members of the Commission who did not attend the site visit referred to the information circulated from the site visit (to London Borough of Lewisham) and asked for the attendee's views on the service provision visited.

7.5   Members in attendance at the site advised the pilot service was an additional step in the DWP process for Universal Credit.

o The different service areas were working well and supporting people through fragmented services.

o The numbers going through the new service were small in comparison to the numbers at the front end of the process.

o Having a key worker to help the person navigate their way through the different services was key to the service provision.

o The pilot was using a multi-borough approach to access jobs in the growth areas. Cllr Sharman added from his discussions this approach may not be required for Hackney because it is thought the local economy is providing local jobs.

7.6 The second document was the Draft TOR on pages 99-108. The Chair explained the information in the formal scrutiny document was not new and drawn from the draft TOR documents discussed and agreed at previous G&R meetings.

7.7 The Cabinet Member for Finance from LBH requested for point 1.1 in the TOR to be expanded to explain the review would help to identify the barriers to whole place thinking in general and look at how to overcome these barriers.

7.8 The Cabinet Member asked for the point to reflect that this piece of work by G&R would feed into a wider cross cutting review programme that aimed to improve the quality of life for local residents and would help the Council to identify were to focus resources to be most effective.

7.9 Members agreed the TOR subject to the amendment in point 1.1

ACTION	Overview and Scrutiny Officer with the Chair to update point 1.1 of TOR document with comments from point 7.7 and 7.8.

8 Governance and Resources Scrutiny Commission - 2014/15 Work Programme

8.1 The Chair referred to the work programme on pages 109 - 116 of the agenda.

8.2 Members suggested the March meeting should have a wider discussion on whole place thinking. Members agreed to invite policy experts and academics to explore whole place thinking in relation to system change, joining up services and look at the capabilities and skills required in a workforce to provide the new services.

8.3 After a discussion Members suggested inviting:
- The project leads from the 21st Century Public Service Workforce review by Birmingham University
- LankellyChase Foundation.

8.4 In addition Members agreed to explore preventative services to get a sense of how much should be invested up front to make savings and reduce expenditure

in the long term on expensive service provision. Members agreed to invite the Early Intervention Foundation.

8.5   Members requested for an additional discussion item to be added to the work programme. Members asked for information on the interdependency of the different housing benefit changes and the cumulative impact of these on residents.

Members referred to information they have received about changes to:
- Local Housing Allowance (LHA) and the cap on size for LHA properties
- Increase to age 35 for room only entitlement
- The benefit cap
- Spare room subsidy
- Cuts to Discretionary Housing Payment (DHP).

Members pointed out whilst they have received reports on the numbers affected by each policy change for each benefit; they wish to explore the cumulative impact of these changes and if they have affected the options available to residents when finding a property. For example are there:

a) People affected by the benefit cap or LHA that have become reliant on DHP so their children can finish key exams?

b) Couples affected by the spare room subsidy who are unable to find a new property because the relatively low levels of LHA mean they can't find a property.

ACTION	1. Overview and Scrutiny Officer to invite the organisations stated in point 8.3 and 8.4 to the next G&R meeting on 16th March 2015. 2. Members agreed to request the information. Corporate Director Finance and Resources to provide update for housing benefit information requested.

9   Any Other Business

9.1   None.

Duration of the meeting: 7.00 - 9.40 pm

H Hackney

Governance & Resources Scrutiny Commission 16th March 2015 **Whole Place, Whole System Review: Long Term Unemployment and Mental Health**	Item No **5**

Outline

The Commission will be discussing whole place, whole system thinking and the approaches to tackling complex problems - working across silos, empowering citizens and changing cultures.

At the meeting will be:
Alice Evans - Director, Systems Change from Lankellychase Foundation. The LankellyChase Foundation works to bring about change that will transform the quality of life for people who face severe and multiple disadvantage.

It focuses on the persistent clustering of social harms such as homelessness, substance misuse, mental and physical illness, extreme poverty, and violence and abuse. LankellyChase Foundation also wants to drive system change in order to radically reshape the services designed to reduce these harms.

The report attached *"Voices from the frontline"* by Making Every Adult Matter (MEAM) provides information from over 1600 frontline organisations working in the criminal justice, drug and alcohol treatment, homelessness and mental health sectors. Alice Evans at Lankellychase Foundation helped to launch the MEAM project.

Anna Randle, Head of Strategy at London Borough of Lambeth. London Borough of Lambeth is moving to a new commission system to enable the organisation to become a Cooperative Council and seeking to establish a more equal relationship with their citzens.

Anna is co-author of the report *Managing Demand Building Future Public Services* by the RSA. This report looks at the potential of demand management to address the challenges faced by public services in relation to rising demand, changing demographics and increasingly stretched finances.

Action
The Commission is asked to note the presentations and ask questions.

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LankellyChase Foundation Theory of Change

A Summary

What are we trying to address?

We would like to support and encourage change which transforms the lives of individuals and families who face a combination of severe disadvantages at once. This includes mental illness, homelessness, alcohol and or drug misuse, violence and abuse. Often because of the multiple nature of these disadvantages, they receive the least support and are more likely to be subject to punitive and/or coercive interventions. Many people will find themselves in this situation for long periods of time, excluded from much of what we take for granted in society. We want to redefine what "good" looks like for people facing severe and multiple disadvantage.

Why do people find themselves in this situation?

There are a number of reasons, many of which are beyond the control of the individual or family. It is about the way services work with each other. We call this systemic failure. This means that:

- Existing provision only looks at each need individually rather than seeing the whole person.
- Required outputs and outcomes from funders make services focus on people who seem the easiest to help.
- Support is time limited, and is not available as and when someone needs it.

In short, people have to fit services rather than having services made to fit them.

Many attempts to address these issues have failed because the services and systems are so firmly entrenched. Also, as a result of being continually failed, people's behaviour can result in further exclusion and people being labelled as "hard to help". Society's response is often to punish them further.

Is this the only reason?

No. There are a number of other reasons beyond the control of services. These relate to the way society functions and the way people in need are viewed. We call this structural or cultural disadvantage. For example:

- People in this situation are discriminated against, not least on grounds of ethnicity and gender
- Inequality in society means that where you are born or live heavily influences what happens to you.
- Wider economic factors, such as the way employment and housing works, can exclude people from the market.
- People in this situation are viewed as problematic and incapable rather than in terms of their potential, strength and ability.

What do we want to do about it?

It is unacceptable that people are in this situation and we believe that the response of services and society is inadequate and usually counterproductive. We want to promote change. We want to ensure people are given the right opportunities to change their lives. We want this to be the case for everyone.

The change could incorporate support and help that:

- stops people getting into the situation in the first place.
- looks at the person rather than each need.
- is led by the individual with guidance and support from others.
- is available when a person wants it for as long as they want it.
- looks at the person in terms of what they want to become rather than how they are now.

What will make this happen?

We need to help those who design and spend money on services to understand what "good" looks like. We need to show them how to achieve improvements in often complex and stuck situations. And we need to motivate them to make changes that might look difficult and risky.

This could include:

- Clearer evidence of need, cost and savings.
- Holding those in charge to account.
- Help with the process of change e.g. how do you make coproduction work locally?
- Ensuring the voice of people facing multiple disadvantage is heard.
- Asserting people's rights, using the law where necessary.

What could stop us from making change happen?

There are a number of things that are challenges or opportunities for us. These include:

- Cuts to provision.
- Changes to benefits.
- The move to spend money and make decisions as locally as possible.
- The need to innovate new ways to deliver this.

What can LankellyChase Foundation do to help all of this happen?

We can use our resources to:

- Help people who have lived experience speak out.
- Build a network or movement for change.
- Find different ways to tell people's stories.
- Build the evidence base.
- Support organisations to take risks and try new things that can make the change we have described happen.
- Create the space where different and risky ideas can be explored.
- Influence others such as local authorities to come with us as we go on this journey.
- Support change in local areas and systems rather than just organisations.
- Change the definition of success.
- Support ideas which work at different times in a person's life from childhood through to adulthood.

There is a lot to be done and our resources are limited. We will therefore prioritise:

- Issues that aren't touched by other funders.
- Ideas where there is a potential to make fundamental change happen.
- Ideas or services which could be an inspiration to others.
- Ideas that push at the boundaries of current systems and norms; that are taking risks.

We believe that change is possible. If you do too, then we want to hear from you.

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Hard Edges

Mapping severe and multiple disadvantage

Summary Report: England

LankellyChase Foundation is an independent charitable trust that works to bring about change that will transform the quality of life of people who face severe and multiple disadvantage.

It focuses particularly on the clustering of serious social harms, such as homelessness, substance misuse, mental illness, violence and abuse and chronic poverty. Its work combines grant making, commissioned research and policy analysis, and special initiatives.

www.lankellychase.org.uk

Summary

Most of us understand that people who are homeless, or offenders or drug misusers must also face a wider set of challenges. It is difficult to imagine a person who has fallen into a hard drug problem, for example, who isn't dealing with early problems stemming from childhood or who isn't facing a new set of problems as a result of their drug taking.

Despite the common sense of this, we still categorise people in separate boxes defined by single issues.

One structure that keeps these labels separate is the way we collect **data**. Each public system corresponding to a label maintains its own database in which the needs of individuals are separately analysed. This data is rarely joined up, so we've had no way of establishing the degree to which those systems are all dealing with the same people.

This research, carried out by Heriot-Watt University, is an important first step towards helping us understand this. The challenges of creating this profile have been considerable. For example, people on the extreme margins of society are often absent from authoritative household survey data precisely because they

are in prisons or hostels. The research has therefore had to rely heavily on administrative data from public services.

The profile of severe and multiple disadvantage created by this research is of adults in contact with the **homelessness**, **substance misuse** and **criminal justice systems** in England, with *poverty* an almost universal, and *mental ill-health* a very common, complicating factor. This summary document pulls out some of the key data from the full report.

The figures give us a better sense of how many people we might be talking about

There is a huge overlap between the recorded offender, drug misusing and homeless populations. **Two thirds** of single homeless people and offenders are also found in one of the other systems. **One third** of homeless people show up in all three systems.

Each year, **586,000** people in England have contact with at least one of the homelessness, substance misuse and criminal justice systems. **222,000** have contact with at least two. And **58,000** people have contact with all three.[1]

[1] Composite of the following data sets: Supporting People (SP), Offender Assessment System (OASys) and National Drug Treatment Monitoring System (NDTMS).

Figure 1: Overlap of SMD disadvantage domains, England, 2010/11

HOMELESS

63,047

33,758   31,276

57,931

188,802   99,289   112,246

SUBSTANCE   OFFENDING
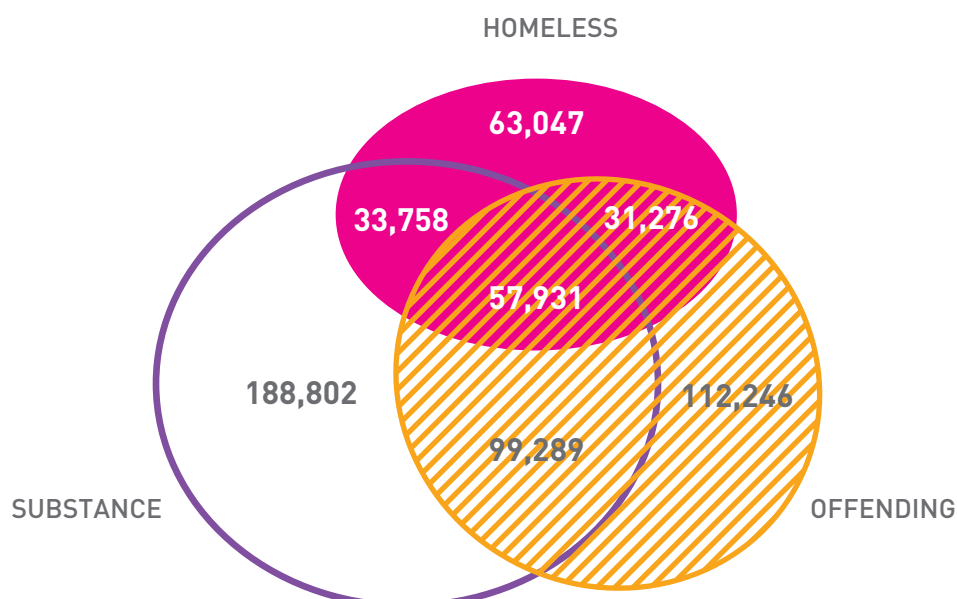
Beneath these headline figures, the profile gives a clearer picture of the scale of the challenges faced by people on the extreme margins of society. It appears to show that **trauma**, **exclusion** and **poverty** both in childhood and adulthood are much more prevalent among those who have contact with more than one system, and that those who have contact with **all three** are contending with almost unimaginable combinations of personal challenge. The following data, unless stated, relates those who have contact with all three. The main report contains rich data distinguishing between people in contact with one, two or all three systems.

If you face severe and multiple disadvantage, you are most likely to be

- Male (8 out of 10 are men).[2]

- Aged between 25–44.[3]

- White (just over 8 out of 10 are white).[4]

This form of SMD predominantly affects white men aged

25–44

Where you might live

Recorded cases of severe and multiple disadvantage vary widely across the country, with local authorities at the top of the list having two-three times higher prevalence than the average.

There is a heavy concentration of people facing severe and multiple disadvantage in areas that experience high levels of poverty, particularly Northern cities, some seaside towns and a handful of central London boroughs.[5]

The 'average' local authority might expect to have about

1,470

active SMD cases over the course of a year

However, all local authorities contain some people facing severe and multiple disadvantage.

The 'average' local authority should expect to support about **1,470 people** facing severe and multiple disadvantage over the course of a year.[6]

Your life history

Most people facing this form of severe and multiple disadvantage have long-term histories of economic and social marginalisation and childhood trauma. It appears to be in the realms of very difficult family relationships and very poor educational experience that we can find the most important early roots of severe and multiple disadvantage, with 85% of people experiencing adverse traumatic experiences in childhood.

For example:

- Almost one third had parents who were violent, and a similar number reported parents who had problems with drugs or alcohol.[7]

- Two fifths have run away from home as children (42%) and significant numbers have experienced the trauma of insufficient food (17% report being starved) or abuse (24%).[8]

- Many had a very problematic time at school, almost half were suspended (47%).[9]

- Over two fifths have no qualifications at all (45%).[10]

[2] Ibid.

[3] Ibid.

[4] Composite of SP, OASys and NDTMS with the ERSC's Poverty and Social Exclusion survey as a benchmark for working age population.

[5] SP, OASys and NDTMS with 2011 census.

[6] This figure uses contact with two or three systems as the threshold.

[7] These figures are taken from the Multiple Exclusion Homelessness (MEH) survey.

[8] Ibid.

[9] Ibid.

[10] Ibid.

42%

of people facing SMD3 had run away as children

What your current situation might be like

- The majority (60%) live with children or have contact with their children.[11]

- Most are either unemployed or unable to work (90%).[12]

- Most face financial problems (82%), a large proportion of which are significant financial problems (43%).[13]

- Half are perpetrators (48%) and one fifth victims of domestic violence (18%).[14]

How you might feel about your current situation

The quality of life reported by people facing this form of severe and multiple disadvantage is much worse than that reported by many other low income and vulnerable people, especially with regard to their mental health and sense of social isolation.

55% have a mental health condition diagnosed by a professional,[15] and are three times more likely to report a poor quality of life than the general population.[16] Three-quarters (75%) have problems with loneliness and 86% boredom.[17]

55% of people facing SMD3 have a mental health condition that has been diagnosed by a professional
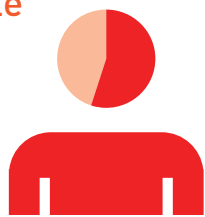
Who you might rely on for help

People facing this form of severe and multiple disadvantage rely on professional support rather than that of family members or partners. Despite this, in times of a crisis, two fifths (42%) turn to friends, and less than a fifth rely on professional support (14%).[18]

1/3 rely

on social worker/ support worker to listen to them but 42% rely on friends in time of crisis

The difference that support makes

The focus of the research was not on the effectiveness of interventions, however the analysed data does record some positive short-term improvements reported by relevant services. At the same time, it indicates that people in contact with more than one system are much less likely to have good short term outcomes from support programmes.

The need for change

There are many lenses through which it is possible to view the severity and multiplicity of social disadvantage. This research has chosen one lens and this has resulted in one particular profile of highly disadvantaged people, their lives and their needs. Different lenses would produce different profiles. We therefore urge that this research is not necessarily taken to define a distinct group of people and our recommendations do not call for a bespoke and separate response. Nonetheless the research findings are strongly indicative of a number of important cultural and systemic issues that do need to shift across national policy, practice in all sectors and across statutory agencies.

For LankellyChase, this research is one piece of a deepening enquiry into how we can work collectively to address severe and multiple disadvantage in an increasingly challenging fiscal climate. Future research will choose different lenses. The following recommendations are therefore only part of the change that is needed.

[11] NDTMS drug and alcohol cases combined.

[12] Composite of SP, OASys and NDTMS.

[13] OASys data.

[14] Ibid.

[15] Needs Audit (HNA) conducted with 2,590 clients of homelessness support providers. More widely, the authors observed significant under-recording of the extent of at least some specific mental health problems among the SMD population.

[16] MEH compared with PSE.

[17] MEH.

[18] Ibid.

Even amongst those with the most complex needs, almost

60%

either live with children or have ongoing contact with their children

1. **Single issue strategies should no longer be acceptable. We need action that is collective, innovative and systemic.**

   The profile reveals huge overlaps between the three populations involved in the homelessness, substance misuse and criminal justice systems. Even those involved in only one system are shown often to face other kinds of multiple disadvantage The extent of the overlap calls into question the legacy of separate systems and structures inherited from the last century that focus central and local government, public services and the voluntary sector on single issues. It suggests that the growing aspiration to address multiple disadvantages may well require much deeper systemic reforms than have yet been envisaged. Reforms that must be accountable to and created with people with lived experience.

2. **More comprehensive and nuanced data collection is essential. If we don't know about it, then it is much harder to address it.**

   This research was triggered by the paucity of joined-up information available on people facing severe and multiple disadvantage. However, even this research faced significant challenges, for example in analysing an issue as fundamental as mental ill-health due to the weakness and inconsistency of datasets. People with lived experience have commented that the picture painted by the statistics tells only half the story and doesn't reveal the nature of the support they actually need. In particular, it focuses on risks, deficits and problems, and tells us little about the people's aspirations, strengths and priorities. This is the inherent challenge of data that is generated to meet the needs of systems, not necessarily of the people themselves. Open and integrated data is crucial but is only part of the solution if we don't also improve the data being gathered.

3. **Evidence of childhood neglect and trauma in the histories of adults facing severe and multiple disadvantage should help shape prevention and early intervention strategies.**

   The profile points to a very close correlation between the extent of neglect and trauma suffered in childhood and the severity of disadvantage experienced in adulthood. This suggests that much of the personal, social

and economic cost could have been avoided if services had intervened sooner and more effectively. Severe and multiple disadvantage appears to be preventable but we need to ensure that emerging early intervention strategies are designed genuinely to reach the profile of people who were clearly failed the last time around.

4. **Support services should aim to help build the social, familial and relational networks around people facing severe and multiple disadvantage.**

   The extent of loneliness and social isolation among people facing severe and multiple disadvantage is a particularly striking finding of this research, including the degree to which this deepens as disadvantage multiplies. One consequence is that people cite services not families as their first port of call for support. When hit by crises, however, people turn mainly to friends. In part this could be addressed by more flexible and trusted support services that are shaped around the reality of people's lives. But it also speaks to the importance of reducing the familial and social isolation that leaves people so vulnerable to crises in the first place.

5. **Policy and practice should revise the dominant characterisation of people facing severe and multiple disadvantage as childless or as having no contact with children.**

   Although people facing severe and multiple disadvantage are commonly thought of as "single", there is a majority who either live with children or have contact with their children. There has been some progress in recent years to get support services to 'think family'. This has majored on cooperation between child and adult services engaged with children and their primary carer. This research suggests that child contact with adults whom the system treats as 'single adults' and childless may be much greater than imagined, and that 'thinking family' may require a broader perspective on who is involved in the family. This is especially important when you consider the inter-generational implications of the research findings.

Only 16% of people facing SMD2/3 consider their quality of life to be good or very good, compared to over 70% of the general population
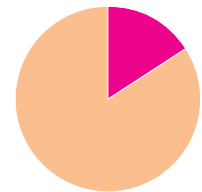
85% had experienced traumatic experiences in childhood

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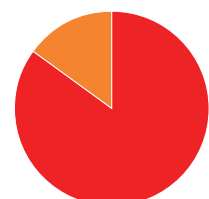
6. There needs to be much greater integration between place-based and local economic policy and policy focused on needs-defined groups.

This form of severe and multiple disadvantage appears to be highly correlated with areas of deep poverty and economic decline. This suggests that strategies focused exclusively on the individual needs of people and families will not penetrate sufficiently through to the root causes of the disadvantages they face. In recent years, there has been a marked divergence between initiatives focused on local economic and structural inequalities and those focused on vulnerable or at risk groups. The result is that neither policy supports the objectives of the other. This research suggests a strong case for re-integrating them.

How it was done

The research was carried out by Heriot-Watt University led by principal researchers Suzanne Fitzpatrick and Glen Bramley.

The research began with a conceptual study of severe and multiple disadvantage involving a number of key experts and service users. This was followed by an integrated analysis of the following 'administrative' (i.e. service use) datasets which, crucially, contained some data about service users' experiences and needs across a range of relevant 'disadvantage domains':

- Offender services – Offender Assessment System (OASys). This dataset covers most of the prison population and also those on parole and undertaking community service punishments.

- Substance misuse services – National Drug Treatment Monitoring System (NDTMS). A subset of this dataset covers alcohol services.

- Homelessness services – Supporting People (Client Record and Outcomes for Short-Term Services) (SP), augmented by 'In-Form' datasets maintained by selected major homelessness service providers in England accessed with the help of Homeless Link.

These administrative dataset analyses were complemented with interrogation of two recent survey-based statistical sources: the 'Multiple Exclusion Homeless' (MEH) survey (Fitzpatrick *et al.*, 2013), and the ESRC 'Poverty and Social Exclusion' (PSE) survey 2012.

" Voices from the Frontline "

Listening to people with multiple needs and those who support them

Making Every Adult Matter Coalition
Clinks, DrugScope, Homeless Link and Mind

Multiple needs and exclusions

People facing multiple needs and exclusions are in every community in Britain. They experience several problems at the same time, such as mental ill health, homelessness, drug and alcohol misuse, offending and family breakdown. They have ineffective contact with services, and are living chaotic lives.

Making Every Adult Matter

Making Every Adult Matter (MEAM) is a coalition of four national charities – Clinks, DrugScope, Homeless Link and Mind – formed to influence policy and services for adults facing multiple needs and exclusions. Together the charities represent over 1600 frontline organisations working in the criminal justice, drug and alcohol treatment, homelessness and mental health sectors.

MEAM works across the country to help local areas improve support for people facing multiple needs. Using the MEAM Approach, we help local areas to design and deliver better coordinated interventions and to measure their impact. We also provide support to twelve areas across the country as part of the Big Lottery Fund's *Fulfilling Lives: Supporting people with multiple needs* programme.

Through Voices from the Frontline, the four MEAM organisations are seeking to bring the voices of people with multiple needs and those who support them to the heart of the policy debate.

Find out more at www.meam.org.uk

LankellyChase Foundation

The LankellyChase Foundation works to bring about change that will transform the quality of life of people who face severe and multiple disadvantage.

It focuses on the persistent clustering of social harms such as homelessness, substance misuse, mental and physical illness, extreme poverty, and violence and abuse. LankellyChase also wants to drive systems change in order to radically reshape the services designed to reduce these harms.

The Voices from the Frontline programme at MEAM is generously supported by the LankellyChase Foundation.

Introduction

People with multiple needs live in every community, but often fail to get the co-ordinated support they need. The way services are set up means they fail people facing complex problems – which may involve mental health issues, substance misuse, homelessness and offending.

Most of us agree people should be involved in decisions about the services they use or the work that they do. Many local services do everything they can to actively involve people from their communities.

However, when it comes to the big policy decisions that are being made now around health, welfare and social support, frontline voices are rarely heard.

Better policy for this group needs to start with a conversation between:

- people experiencing multiple needs;
- those who work with them; and
- national and local decision makers

Over the next two years, we aim to engage policymakers in these conversations and show exactly what the voices from the frontline have to offer.

This booklet includes findings from a survey of over 140 services working with people experiencing multiple needs. The full results and methodology are available in an accompanying report, *Evidence from the Frontline*, available at www.meam.org.uk/publications

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We brought together over 50 people from across the country: some were currently engaged with services, others worked in frontline roles.

A range of organisations across homelessness, mental health, substance misuse and offending hosted the conversations. These included residential services, drop-ins and specialist centres working specifically with women and young people.

Rather than ask people lots of questions, we had an open conversation about their experiences, what's changed, and how it has affected them.

Read on to find out what they said.

Why do services fail people with multiple needs?

People told us that living with multiple needs can be tough. Getting help with one issue can be hard enough, but for those who have many at the same time, it becomes much more complicated.

Our support system treats people based on what it considers to be their primary need, be that mental ill-health, dependence on drugs and alcohol, homelessness or offending.

I found the problem [with the service was that] if they couldn't pigeonhole you then that was it. You know what I mean? The fact that they couldn't say 'well, you've got this personality disorder or you've got that personality disorder ...'

Life sequences of people with multiple needs

In 2010, a team at Heriot-Watt university looked at the sequence of events in the lives of people with multiple needs. They found four broad phases:

1. Substance misuse: Experiences of abusing solvents, glue or gas; leaving home or care; using hard drugs; developing a problematic relationship with alcohol and/or street drinking.

2. Transition to street lifestyles: Becoming anxious or depressed; survival shoplifting; engagement in survival sex work; being the victim of a violent crime; sofa-surfing; spending time in prison; being made redundant.

3. Confirmed street lifestyle: Sleeping rough; begging; and injecting drug use. Being admitted to hospital with a mental health issue; becoming bankrupt and getting divorced.

4. 'Official' homelessness: Applying to the council as homeless, and staying in hostels or other temporary accommodation; being evicted or repossessed and the death of a partner.

Source: Fitzpatrick, Bramley and Johnsen (2012) *Multiple Exclusion Homelessness in the UK: An Overview of Key Findings,* www.sbe.hw.ac.uk/documents/MEH_Briefing_No_1_2012.pdf

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Because people with multiple needs do not fit neatly into a single category, it's rare that a single service can meet all their needs.

Over 90% of all of our clients [have a] dual diagnosis that is not being met. And it really, really pisses me off, […] the fact that you've got to have a primary issue to access services in this country. I believe everyone should be able to access mental health services, no matter what. If you self-medicate […] you've got to come off those to go into your detox or your rehab, or a mental health service. And people can't do it.
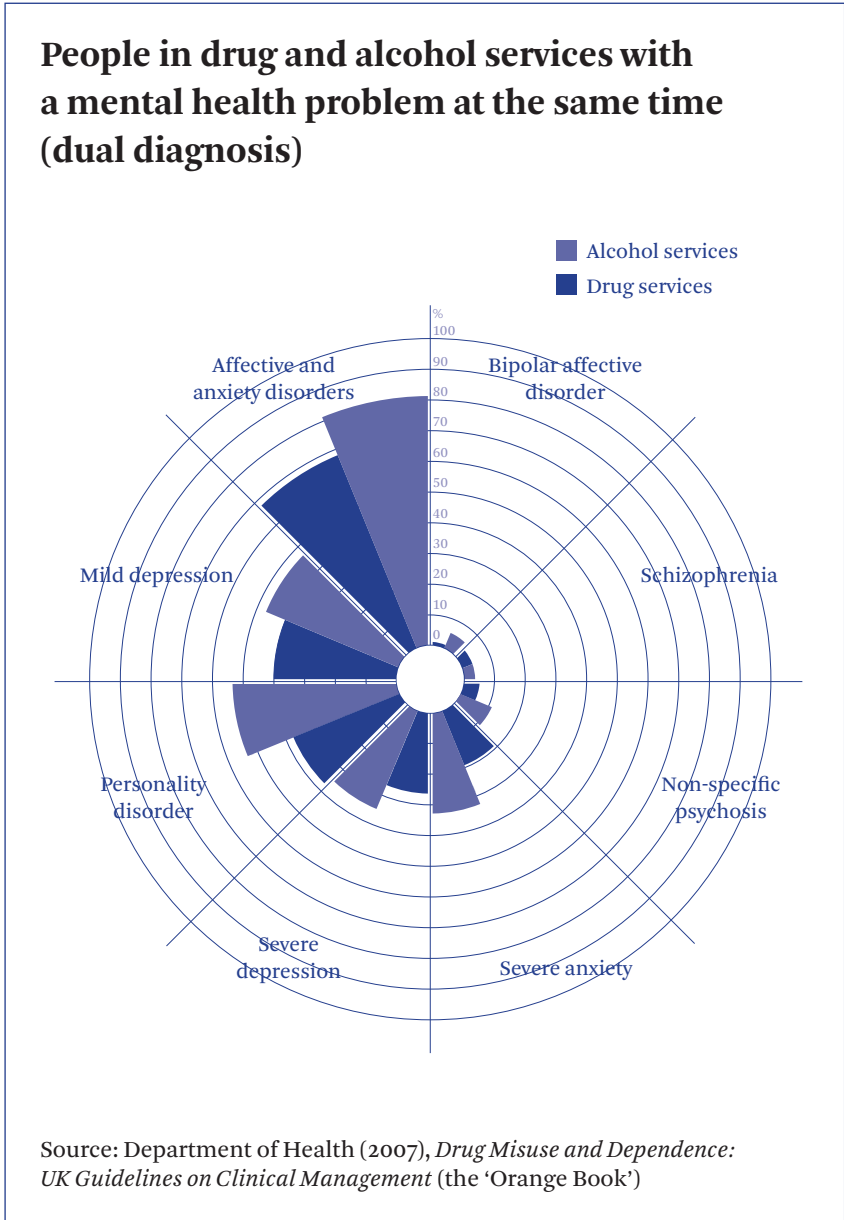
The support system is very inflexible when people do not progress in the way it expects. Sometimes they're offered support for a limited period of time, or that doesn't cover all their needs.

I don't understand why it's a one-shot deal. You only get a one-year period with the service, but yet we work with young people over a nine year span of their lives, potentially […] So why can't they come back repeatedly, if they get a house at 18 and they struggle at 23?

When seeking support, it can be hard for people with complex needs to explain what's wrong. There are few opportunities to describe their different needs and how they fit together – especially to services that are focused on just one thing.

When you think of people with mental health needs, a lot of them come from very deep rooted issues like sexual abuse or physical violence. It's taken them a lot to come and open up [to me as a counsellor]. They're

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not going to tell people within the benefits system: they don't want to share that information. [People] have no idea of that person's story, and they don't think for a minute that there might be reasons that they're like that.

People in drug and alcohol services with a mental health problem at the same time (dual diagnosis)

Source: Department of Health (2007), *Drug Misuse and Dependence: UK Guidelines on Clinical Management* (the 'Orange Book')

It can be really difficult to navigate the system when accessing services or trying to claim benefits. Organisations seem complex and difficult to engage with.

For young people who are expressing complex needs to go through that system, they can't get their head round how the system works – so why would you engage with somebody who just talks jargon at you, and tells you to come back in a month's time to see somebody else about another assessment?

And even with the help of expert staff it can be hard to get issues resolved.

There are staff in here that will headbutt the wall constantly to help you, but [other services] won't meet them halfway – JobCentre, council, anyone.

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What are the new challenges?

The system has always struggled to help people with multiple needs, but people told us that recent changes are making matters worse. In particular, some of the things that used to help people through difficult situations are falling away.

Pressures are increasing

The way that services are commissioned has changed a lot as budgets tighten. This means services don't have as long as they need to work with people.

The big change [is] that we only get 12 months now to work with them, whereas previously we had two years. [Where] clients we have worked with who have really complex needs have been successful, it took a year to get them to engage, and then a year to actually do something with them, and then they could move on. Whereas now we've got a year to do it all. I can't see us being able to achieve the same results.

Doing more for less also reduces the personalised support that people with multiple needs benefit from most.

To deliver, like, a personalised service is quite hard under pressure, isn't it? […] You don't feel like you're getting a personal service – in the door, out the door, and that's it – and you're just the same as the next person, when your needs haven't been assessed.

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Having a single person to work with, who is in regular contact, makes a big difference.

In here, yeah, they're really good: 'I'll put your application into this place, I'll let you know on this date'. You see them every week, so you always know from day to day what's going on.

It's also good if staff have personal experience of the issues they're helping others with.

There's some staff here that have been through this: that have lived here, been to prison, done everything that we've done, and they're the ones that I find it easy to [talk to] – 'cause they know.

Services are poorly joined up

Often, people need specialist help from a range of services in the community, and getting access to these can be a struggle.

It's becoming harder. Where before we could access services [for] the more specialist work that was needed, it's much harder now to get them into those services, or the services just aren't there anymore. […] You get someone on your books, and you're thinking to yourself 'this is kind of pointless, because I know I'm not going to be able to achieve with them what needs to be done'.

Meanwhile, where services do exist, they can be less open to people with a range of needs.

A resident, he's identified himself that he would benefit from a talking therapy. I've had to be explicitly clear, but without putting words in his mouth, that if he discloses any cannabis use, he is likely to be refused a service with talking therapies – because this happens a lot – and he'll be batted back to the drug and alcohol agency, which I personally don't feel he needs at the moment.

This seems to be a particularly big problem with mental health problems, which can prevent other issues being resolved if they aren't addressed.

We're not mental health specialists. I think we're concerned that we take them on so that they don't drop between the gaps. […] But then the other services who potentially should be picking them up will go, well, we're not because they're already working with you guys.

Having a care co-ordinator or key worker who is able to work on your behalf can help, especially if there is a trusting relationship.

You can get a key worker or care coordinator, and they will help you with your misuse and other things, but you've got to be honest with them, and tell them everything, otherwise they're not going to be able to know where to point you in the right direction.

Welfare reforms are taking effect

There have been big changes to the welfare system, and these are having a negative effect on people with multiple needs.

Selected changes to the benefits system

- **Sanctions:** since 2012, heavier penalties have been placed on people who fail to meet the conditions of their benefits.

- **Benefit caps:** from April 2013, limits were placed on both housing support and overall payments.

- **Bedroom tax:** from April 2013 the 'spare room subsidy' was removed, reducing housing support for people with an additional room.

- **Work Capability Assessments:** in recent years there have been several big changes to how people are judged able or unable to seek employment.

Sanctions have increased dramatically, and many people have had problems as a result – particularly when trying to appeal decisions that have made their lives difficult.

All you do is you get a little thing at the back of it [that] says 'if you disagree with this decision, please write to this address'. And you write the disagreement, honest to God, it takes weeks and weeks on end. Then you get asked to come into a benefits centre to talk to somebody. And then it goes another couple of weeks. By the time that's finished, your sanction's over and you're back on your Jobseeker's again!

The threat of losing benefits has an effect on people beyond their finances. For those with other things going on in their lives, it can be hard to keep on top of what's required.

Me, I'm not used to signing on, and it doesn't seem like a big deal, but it is because you've got to worry about [whether] you've done the right jobs, you've got to make sure you turn up exactly on time, otherwise you're gonna get sanctioned. Do you know what I mean? It's a lot of stress.

An increase in the number of people being sanctioned

Between the first quarters of 2013 and 2014, the number of people on Employment and Support Allowance who were sanctioned rose by 346%.

Source: Department for Work and Pensions (2014), *Jobseeker's Allowance and Employment and Support Allowance sanctions: decisions made to March 2014*, www.gov.uk/government/statistics/jobseekers-allowance-and-employment-and-support-allowance-sanctions-decisions-made-to-march-2014
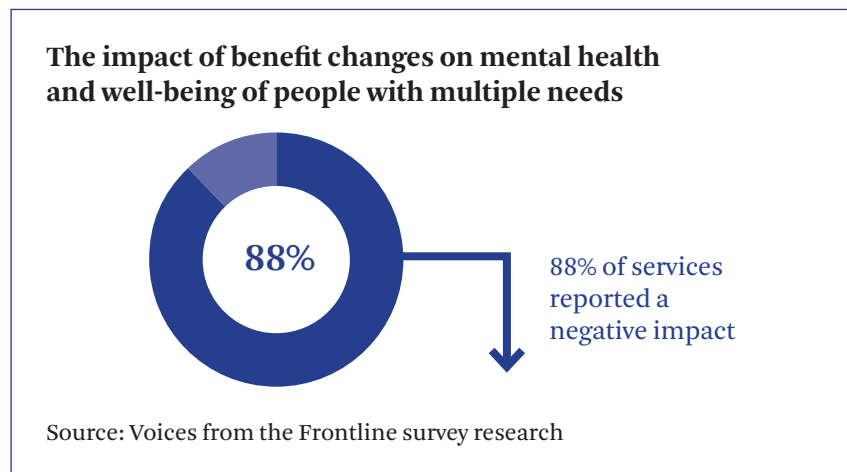
79% of services reported that sanctions are affecting over half of their service users with multiple needs. Sanctions were viewed as having the most negative impact of all welfare changes we asked about.

Source: Voices from the Frontline survey research

New interviews for some benefits have also been a source of stress – for example, the Work Capability Assessment.

I've got one client and she's constantly being called in to be assessed. She's got very severe anxiety and

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depression, and she's had a life – a really difficult life – she can't say a sentence without having a breakdown, you know. […] It's too much for her to even have a phone call once a week, it makes her worry the whole week waiting for that call to come in, and worry that they're going to stop the benefit again.

The impact of benefit changes on mental health and well-being of people with multiple needs

88%

88% of services reported a negative impact

Source: Voices from the Frontline survey research

This is particularly true for vulnerable people, such as women who have experience of domestic abuse and may worry about the stigma of being dependent.

The anxiety of just going for the benefits and things in the first place is really huge for a lot of women. They feel guilty about having benefits, they actually want to be working. […] The abuse that they've taken for a lot of years, that they would be scroungers, they wouldn't be able to live on their own, they wouldn't be able to live without a partner, or whatever else. All of that kind of stuff is really triggering for them.

When issues arise, people with complex situations often prefer to speak face-to-face, but increasingly are being asked to use the phone or the internet. Often, it's the small things that matter. Many people – whether claimants or support workers – loathe the JobCentrePlus hold music, which they have listened to for hours on end.

Do you know I would actually pay 50p out of my giro for them to change that. I told the woman on the phone, I said listen: take 50p out of my giro, go and buy a new song. iTunes! 99p!

In dealing with outside agencies such as JobCentrePlus, people benefit from having an advocate who can help them through the process.

There's a guy who deals with benefits in this building, and he is *shit* hot. He is the guy! He filled it out for me, he spoke to my doctor, he got a letter from my doctor to add to it, and he did everything he possibly could.

And where people build an effective relationship with committed staff at the JobCentre, it makes a big difference.

I think I've just been lucky who I've had … he's went above and beyond, and when he's put us on courses and stuff, he's rang round and done a lot.
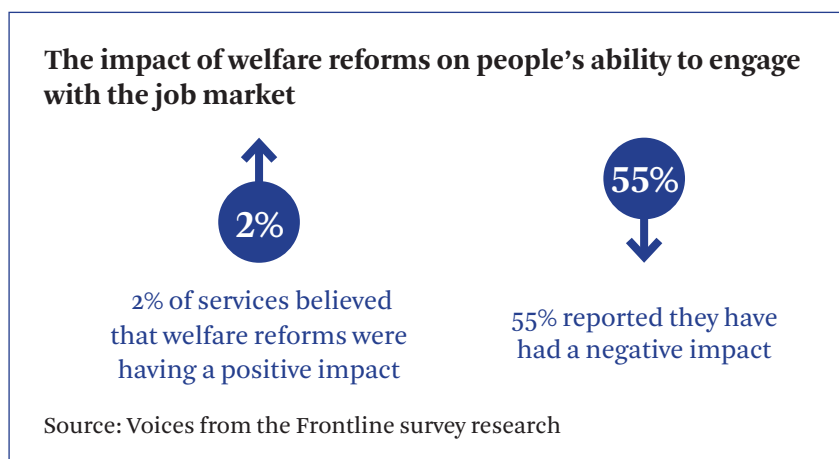
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It's not just one thing

Alone, these changes would be troubling. But together, they interact in unexpected ways for people with multiple needs.

A difficulty in one part of the system often leads to a problem in another.

I self harm, and [the service] are like, no, you can't use the services. We don't want you here. And I'm like, okay then. And then that has a roll-on effect with my GP, which then was 'well, you're not interested, you're not trying'. Which then has the snowball effect that my benefits were, well, you know – 'you're not complying, you're not helping yourself.' And I'm trying to say to people, hold on a minute, it wasn't me, I turned up there and it was them that turned around and said 'you can't come in'.

These setbacks are caused not only by the practical barriers people come up against, but also their sense that the system is treating them unfairly.

When policy starts to change about the sharing, and the withdrawal of benefits to certain under-25 year olds and all the rest of it, [it becomes] frustrating for them, because they see nothing … no prospects of a job, no prospects of a place of their own. [They think], 'well, if I'm gonna go out and have a drink, I might as well have four'. […] No matter how much we can put sticking plasters on certain things, it becomes more and more difficult to give them a sense of hope.

The impact of welfare reforms on people's ability to engage with the job market

2%

2% of services believed that welfare reforms were having a positive impact

55%

55% reported they have had a negative impact

Source: Voices from the Frontline survey research

Difficulties when dealing with the benefits system can cause stress and also increase people's needs.

I've returned to alcohol now, because I'm so stressed. I've got a court case going on with my children, who are going to be removed from this country … nothing to do with me, but that's the way it's going. It's just got to the point where all of these things have just come into a massive great big circle. […] You're banging your head against a brick wall.

People want to work, and need the right support to move towards employment. But at the moment, not everyone is getting it.

For six weeks I had to go with no money. To get to work, with no money. The Work Programme provided us with a pass, and said 'oh, we want the money back for that pass, by the way'. You know, you're telling people you want to get people into work, but you're not actually helping them, when they've got themselves a job.

All in all, there are enough challenges facing people with multiple needs: changes to the support they depend on should help them overcome their difficulties, not make matters worse.

This vicious circle, in what I call the real life – not the sugar-coated, the real life – is getting bigger and bigger and bigger, and there are not the services around to actually help people. So, it's just like, seriously, swimming in a pool with a load of sharks that somebody's just waiting to open a cage and go, there you go: bang.

Join the conversation

The voices you've heard from tell us about some of the things that work for people with multiple needs – and some that don't.

Usually a publication like this would end with some proposals for what the government and policymakers should do next.

But as you've seen, changes to policy interact in unexpected ways. These issues need deeper exploration, through an ongoing conversation with the people who know best what could solve them.

We're asking MPs, Peers and Parliamentary candidates to commit to listen to the voices of people with multiple needs, and those who support them.

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If you can influence policy on these issues, we're inviting you to:

1. Commit to listening to people with multiple needs. Spend some time at services near you, and find out more about the experiences of people with multiple needs. We're happy to connect you with organisations in your area.

2. Get to know the people who can create change where you are – commissioners, Directors of Public Health and officials. Ask difficult questions and help them to understand the issues.

3. Work with us, people facing multiple needs and those that support them in the run-up to the election in May 2015. Together, we'll make the case for how the next government should act on multiple needs.

Will you join us?

Acknowledgements

Voices from the frontline – of people engaged with and working in services across the country – fill this booklet. We are grateful for their time, insight and honesty.

Thanks to all the services that worked with us, and particularly those that helped host meetings:

- Bea at St Mungo's Broadway
- Lucy at Oxford Homeless Pathways
- Erin at Depaul Housing
- Lisa at Brighton Women's Centre

The conversations were facilitated by the Voices from the Frontline team across MEAM:

- Jonathon Graham, Homeless Link
- Andy Kempster, Mind
- Nicola Drinkwater, Clinks
- Sam Thomas, DrugScope

This booklet was produced by Jonathon and Sam, with help from the team and the Voices from the Frontline steering group:

- Paul Anderson
- Andrew Brown
- Ellie Cumbo
- Oliver Hilbery
- Helen Mathie
- Jacqui McCluskey
- Louise Rubin

Thanks also to Alice Evans at the LankellyChase Foundation, Nathan Dick at Clinks and Ruth Goldsmith at DrugScope for their insightful comments.

Designed by Rachel Bray at Soapbox.

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Find out more

Find out more about Voices from the Frontline on the Making Every Adult Matter website:

www.meam.org.uk/voices-from-the-frontline

If you'd like to find out more about getting involved in the project, contact:

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When it comes to the big policy decisions being made now, frontline voices are rarely heard. We aim to show exactly what they have to offer.

Managing Demand

RSA
2020 Public Services

Building Future Public Services

Anna Randle
Henry Kippin

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Acknowledgements

The supporting organisations' thanks go to a large number of people who have supported the development of this report, lending their time and support through interviews and the provision of information and evidence about demand management in practice.

The authors' thanks go to the members of the project group who have been closely involved in steering the research and providing ideas and input to the first report (published in July 2013) and this report. They are: Michael Coughlin and Joe Simpson of the LGA; Jon Ainger and Liam Scott-Smith of iMPOWER; Ben Lucas, Atif Shafique and Claire Coulier of the RSA; and Kirsty Johnson, Natalie Jones and Eloise Meller of the ESRC.

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About the RSA

The RSA: an enlightenment organisation committed to finding innovative practical solutions to today's social challenges. Through its ideas, research and 27,000-strong
Fellowship it seeks to understand and enhance human capability so we can close the gap between today's reality and people's hopes for a better world.

RSA 2020 Public Services is a practice-research and policy development hub. We work with local authorities, public sector bodies, businesses and the third sector to develop social productivity approaches to public service reform, helping to create stronger and more resilient citizens and communities.

About the project partners

The Local Government Association (LGA)
The LGA is the national voice of local government. It works with councils to support, promote and improve local government. It is a politically-led, cross-party organisation that works on behalf of councils to ensure local government has a strong, credible voice with national government. It aims to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

The Economic and Social Research Council (ESRC)
The Economic and Social Research Council (ESRC) is the UK's largest organisation for funding research on economic and social issues. It supports independent, high quality research which has an impact on business, the public sector and the third sector. The ESRC's total budget for 2013/14 is £212 million. At any one time the ESRC supports over 4,000 researchers and postgraduate students in academic institutions and independent research institutes.

iMPOWER
iMPOWER is a 50-strong team specialising in behavioural insight, commissioning and demand management for local public services. We are also the UK's leading advisor to adults and children's social care services

Collaborate
Collaborate is a CIC based at London South Bank University. We promote effective and sustainable collaboration between the public, business and social sectors to secure improvements in public service outcomes, build sustainable communities and foster a strong civil society. Collaborate has been established as place for creative thinking, policy development and practical action. We aim to be a centre of leadership and skills development and a 'shared space' for conversation, debate and problem-solving between the business, social and public sectors. You can find out more about our work at www.collaboratei.com.
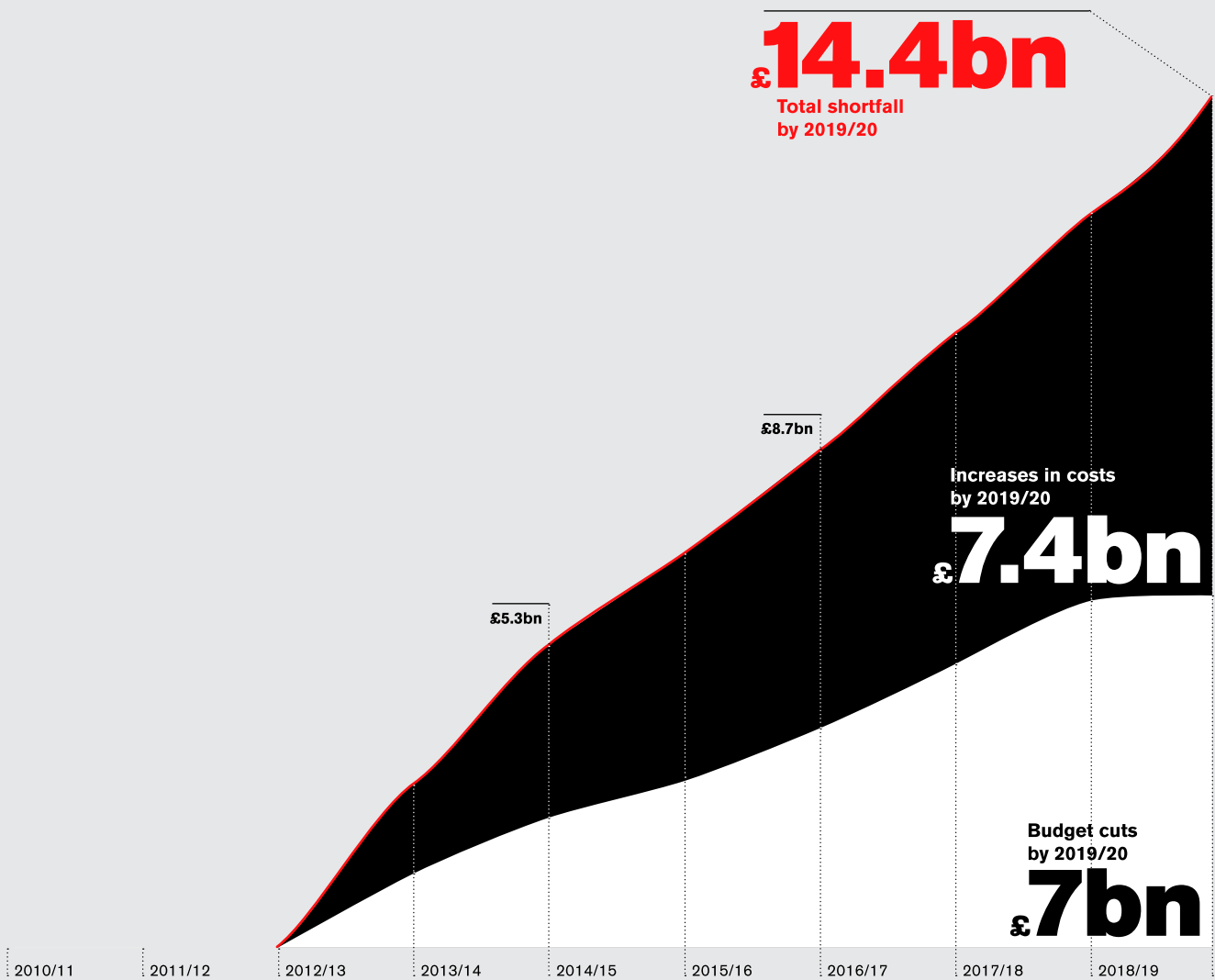
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Executive Summary

Public services face unprecedented challenges. Rising demand, changing demographics and increasingly stretched finances mean that the choice for local authorities and public service providers is stark: change the way they work, or face the possibility of service retrenchment, increasing irrelevance and perpetual crisis management.

Many of England's local authorities and local public service providers have responded to austerity by asking hard questions about the services they manage. Many are asking where they can reduce service levels or remove services entirely, where they can drive greater efficiencies and improve the productivity of their operating models, and where they can change eligibility criteria to reduce costs.

Many of those politicians and executives also know that these strategies – designed to realise immediate and substantial savings – are not an answer to the long term demands of a changing society. Future demand will not only outstrip current supply, but is likely to overwhelm public agencies with a set of needs that do not correspond to the service models of today, and that challenge the very basis of public services.

From Emerging Science to a New Social Contract

This report looks at the potential of demand management to address this challenge. It traces the 'state of the art' from emerging science, through to system change and – most importantly – a shifting set of relationships between the public, the state and public services. It argues that not only can demand management thinking help to shift the starting point for policy and practice today, it can help frame the future of public services, aligning it much more clearly around the root causes of social demand, the holistic needs of citizens and communities and the role that they can play in improving outcomes.

£**14.4bn**
Total shortfall
by 2019/20

£8.7bn

Increases in costs
by 2019/20
£**7.4bn**

£5.3bn

Budget cuts
by 2019/20
£**7bn**

2010/11   2011/12   2012/13   2013/14   2014/15   2015/16   2016/17   2017/18   2018/19

Source: LGA projections based on DCLG outturn data, July 2013 (details at www.local.gov.uk/finance)

Section 1: Emerging Science

We examine different types of demand and the spectrum of tools and techniques which are being used to manage demand, such as 'nudge', building insight based on 'values modes' analysis of service users and applying behavioural insight in areas like recycling, littering, school transport and adoption. We review projects which are beginning to recalibrate the relationships between citizens and the state by using co-production and changing the expectations of citizens and their role, and projects which focus on preventative action. We examine a range of examples of effective use of these techniques by local authorities and other agencies.

> 'This is about taking a systematic, whole organisation approach to demand management … building it into the DNA of the organisation'
> Interviewee from Calderdale Council

> 'We need to stop thinking of what we do in terms of a reactive model'
> County Council Chief Executive

Section 2: Whole System, Whole Place

We examine emerging attempts to develop collaborative strategies for managing demand and improving outcomes among local partners based on local circumstances and influences on people's behaviour; addressing need outside of the 'service' lens; and reconfiguring service delivery mechanisms through understanding how demand manifests across a 'whole system' and a 'whole place'. We examine the ways in which these projects use a range of the tools and techniques outlined in Section 1, bringing them together in a shared strategy which seeks to drive wider system change. We look at examples from Greater Manchester and Cheshire West, reviewing learning and evidence to date.

> 'We have successfully proved the case for demand management in small projects, now it is about doing it at scale and changing the system'
> Senior Community Budget Manager

Section 3: Citizens and State

We examine the increasing move towards thinking about demand management as a fundamental cultural shift: away from public services as delivery agents of one-size-fits all services to a passive population, to localities in which everyone plays a role, and services and outcomes are shaped by active, independent and resilient citizens. We examine the themes and principles which underpin attempts to reimagine public services in these ways.

> 'This is a positive strategy about people helping themselves and others'
> Local Government Chief Executive

The Financial Case for Demand Management

The potential scope for financial savings from demand management is difficult to quantify in simple terms, given the range of approaches and interventions which can be used and the early stage of demand management implementation.

Evidence of savings from the small-scale use of demand management techniques is included throughout the report. Real evidence of larger scale savings from whole system change is beginning to emerge from Community Budget areas. We examine early findings from Greater Manchester/Oldham and West Cheshire in Section 3.

The theoretical case for savings predicts that the level of savings that are possible increases as interventions move from short to longer term, and from small, bespoke projects towards whole system change.

Predictive modelling for systematic use of demand management thinking and techniques suggests that the scale of potential savings runs into the billions. We review modelling undertaken by iMPOWER and by Ernst & Young (EY) for the LGA, concluding that although hard financial evidence is as yet undeveloped, emerging evidence and a range of modelling suggests that the financial case is strong enough for local authorities to prioritise demand management as part of their response to financial pressures.

A Framework for Demand Management

Community leadership

× <u>Recognise that demand is political</u> – transformative change requires political buy-in, and it is vital that local politicians lead a new conversation with citizens that is more collaborative. As one Conservative Party local government advisor told us, "if communities need to take more responsibility, then their representatives must lead the way".

× <u>Find the right local narrative</u> – demand management is a technocratic term, couched in management rhetoric and often statist in approach. Making it stick beyond these boundaries needs language that is locally meaningful. For example, one council Chief Executive told us that "we don't talk about (issues like) demographic change… we talk about helping our neighbours".

Building insight

× <u>Create the methods to get closer to communities</u> – demand cannot be understood purely through the lens of services currently provided. Public agencies need to look outwards, creating the methods to generate deeper insight into the needs, wants and aspirations of citizens. We profile efforts to do this in areas such as Lambeth and Sunderland.

× <u>Get beyond the services and build new partnerships</u> – the corollary of better insight is the responsibility to use it effectively. Addressing the real drivers of demand will require public managers to broker new cross-sector relationships and build new partnerships – as Oldham Council's work in addressing transport and energy costs demonstrates.

Changing behaviour

× <u>Leverage emerging data on outcomes and behaviour</u> – many local authorities (we profile Kirklees and Calderdale) are already building on nudge and network techniques to change the way they interact with the community and address failure demand. Interviewees reported that focusing on what David Halpern has called the 'little details' is realising immediate benefits in take-up and savings.

× <u>Build trust to change behaviour</u> – long term behaviour change requires

a two-way relationship, with responsibility on both citizens and state, and high levels of trust between them. This is a challenge for all public agencies, but Ipsos MORI find that 79 percent of citizens trust their local council to make 'difficult decisions', as opposed to 11 percent for central government. However, the LGA suggests that local authorities will need to engage in new, more collaborative ways with communities as cuts bite harder.

Changing the system

× <u>Think whole system, whole place</u> – managing future demand will be about scaling up isolated, service-based practice and embedding a culture shift across public organisations. Interviewees felt that where public managers are able to look across a 'whole place' and commission services preventatively, the biggest potential gains are to be found.

× <u>Work collaboratively across agencies and sectors</u> – the default assumption for local public services should be for outcome-focused collaboration around the holistic needs of citizens (and thus the root causes of demand). Commissioning and procurement practice makes this difficult, but we profile examples such as the MEAM (Making Every Adult Matter) approach, and Worcestershire County Council's 'Early Help Hub'.

Creating shared value

×   <u>Manage demand and growth strategies interdependently</u> – demand management and inclusive growth should be two sides of the same coin, as Greater Manchester's proposed switch from reactive to proactive investment spending demonstrates. AGMA data suggests that 35 percent of public spending in the area is 'reactive' and therefore potentially addressable through early intervention.

×   <u>Use market shaping and procurement to support communities</u> – several interviewees felt that the Public Services (Social Value) Act and forthcoming EU procurement changes offer an opportunity to manage demand through more targeted and collaborative commissioning, focused on community benefit and value as well as price. Yet we also heard the need for new 'toolkits', with one official arguing that "the (procurement) profession hasn't caught up with the new narrative".

Building community resilience

×   <u>Engage the community in co-designing and commissioning services</u> – transformative demand management – and long term transformative change in public services – cannot happen without truly engaging and enrolling the community in the design and delivery of services. We profile several examples of this – from Turning Point's Connected Care model to Lambeth's Outcomes Framework for Children and Young People.

×   <u>Build coalitions between business, public services and society</u> – the role of the private and social sector in managing demand is key. Being in work is the single best tool of demand management, and responsible employment practice, living wage and skills development were all advocated in our research as ways for the private sector to support this agenda. Councils need to think about ways to convene a broader dialogue about social responsibility, shared values and inclusive growth.

Conclusion

> 'This is really the way the public services should be done'
> Leader of a London Borough

This research was originally undertaken because we felt that demand management is an emerging area of thinking and practice in local public services which, in the context of austerity, warranted research that would bring some clarity to the concept, and help organisations think through their own approaches to managing demand.

Through the course of the research it has become clear that, while the 'emerging science' is important, demand management is in fact part of a much wider debate about the future of public services and the state. Now is the time for a fundamental re-think about what public services are there to do, the role of the state and our rights and responsibilities as citizens.

Creating a 'shallow end' of policy and practice

Our research uncovered remarkable coalescence around the potential of demand management as both a set of techniques and a language that can encapsulate an approach that gets beyond the supply side. We examine the financial evidence to suggest some of the potential for short- and long-term savings. Yet we must also acknowledge that at this stage the case for a demand management approach has not been proven: evidence is nascent; the financial case is largely built on predictive modelling rather than real evidence; fully developed examples are rare.

This is why we have undertaken this research – to hothouse emerging practice; to gather together the existing evidence; to establish a set of underlying principles that can support the development of bespoke approaches – however incremental or transformative – across local public services; and to offer a set of actions which might be of use to councils thinking about their own approaches to demand management. We hope that they add value to the new thinking and practice that is so greatly needed.

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Introduction

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Public services face unprecedented challenges. Rising demand, changing demographics and increasingly stretched finances mean that the choice for local authorities and public service providers is stark: change the way they work, or face the possibility of service retrenchment, increasing irrelevance and perpetual crisis management.

The political narrative from central government is unstinting and unequivocal. Key figures in local government like Birmingham's Sir Albert Bore have already made it clear that we could be seeing 'the end of local government as we know it.'[1] It would take a brave person to predict he is wrong. Old social, economic and policy certainties such as steady growth, sustained public spending and economic stability are long gone. Instead, public austerity, macroeconomic uncertainty and radical policy reform create a new – and highly challenging – environment for public actors.

Public service policymakers and practitioners will have read this – or similar – before. They will also have digested a range of suggested panaceas. Strategies of 'more for less', 'crisis to opportunity', 'smarter state' and 'post-bureaucratic age' (amongst many others) have all been advanced as the silver lining to soften the crisis. They point the way to a leaner, more agile and more sustainable system of public services that is better placed for the future, and a better fit with the citizens of tomorrow.

Except none of these strategies have yet stuck. Why? We think they begin from the wrong starting point. They focus on how the supply side in public services can be re-shaped and reformed, and do not pay enough attention to citizens, communities and – ultimately – social demand.

In the first stage of this research, published in July 2013,[2] we set out the scale of the challenge facing public services posed by rising demand and falling financial resources. In this report we examine emerging evidence of demand management thinking and approaches in local government, with the aim of compiling the building blocks of a strategy for managing demand in the future, and understanding what this means for the way we think about the role of public services. While practice is developing in some service areas and some places, it tends to be isolated and under the radar of wider public sector strategy. We think there is a gap in policy and practical thinking around demand management, and this is the space into which this report is pitched.

1   http://www.theguardian.com/society/2013/dec/09/birmingham-council-unable-fund-statutory-services
2   *Beyond Nudge to Managing Demand*, http://www.thersa.org/action-research-centre/community-and-public-services/2020-public-services/beyond-nudge-to-managing-demand

Today: local responses to a global crisis

Many of England's local authorities and local public service providers have responded to austerity by asking hard questions about the services they manage. Many are asking where they can reduce service levels or remove services entirely, where they can drive greater efficiencies and improve the productivity of their operating models, and where they can change eligibility criteria to reduce costs.

Many of those politicians and executives doing this also know that these strategies – designed to realise immediate and substantial savings – are not an answer to the long term demands of a changing society. Future demand will not only outstrip current supply, but is likely to overwhelm public agencies with a set of needs that do not correspond to the service models of today, and that challenge the very basis of public services.

This is leading many to question the starting point of their reforms: What is our strategy for dealing with a changing locality over the long term? Are we well set up to even understand – let alone cope with – future demand? What are the things we can do now to ready ourselves for the future? These are the questions addressed in this report. We look at the emergence of demand management as a relatively novel part of the lexicon of local government, and trace its relevance from practical, proven techniques, through to game-changing ways of re-shaping the relationship between citizens and communities.

In particular, we profile examples of emerging practice from councils that believe that their long term viability will come through re-shaping service demand as part of a changed relationship between themselves and their communities. They argue that sustaining this level of ambition is the only way to emerge from crisis and austerity with a role in the community that goes beyond the provision of statutory services. They are basing long-term public service reform strategies on themes of reciprocity, responsibility, trust and partnership, and the need for a much closer understanding of how people behave, and what they want, need and aspire to.

Whole System, Whole Place – building collaborative strategies based on local circumstances and influences on people's behaviour; addressing need outside of the 'service' lens; and reconfiguring service delivery mechanisms through understanding how demand manifests across a 'whole system' and a 'whole place'.

Emerging Science

Whole System, Whole Place

Public Service Reform

Emerging Science – different types of demand and the tools and techniques which are being used to manage demand, such as 'nudge', building insight based on 'values modes' analysis of service users and applying behavioural insight in areas like recycling, littering, school transport, adoption and democratic engagement.

Citizens and State - thinking about demand management as a fundamental cultural shift: away from public services as delivery agents of one-size-fits-all services to a passive population, to localities in which everyone 'does their bit', and services and outcomes are shaped by active, independent and resilient citizens.

Demand management

In the following pages we explore three 'steps' of demand management thinking – from emerging science and specific local practice, through to system change and whole-place approaches, to the implications for transforming the relationship between citizens and state as part of a new approach to public service reform.

× <u>Emerging Science</u> – different types of demand and the tools and techniques which are being used to manage demand, such as 'nudge', building insight based on 'values modes' analysis of service users and applying behavioural insight in areas like recycling, littering, school transport, adoption and democratic engagement.

× <u>Whole System, Whole Place</u> – building collaborative strategies based on local circumstances and influences on people's behaviour; addressing need outside of the 'service' lens; and reconfiguring service delivery mechanisms through understanding how demand manifests across a 'whole system' and a 'whole place'.

× <u>Citizens and State</u> – thinking about demand management as a fundamental cultural shift: away from public services as delivery agents of one-size-fits all services to a passive population, to localities in which everyone 'does their bit', and services and outcomes are shaped by active, independent and resilient citizens.

Our research uncovered remarkable coalescence around the potential of demand management as both a set of techniques and a language that can encapsulate an approach that gets beyond the supply side. We examine the financial evidence to suggest some of the potential for short-and-long term savings. Yet we must also acknowledge that at this stage the case for a demand management approach has not been proven: evidence is nascent; the financial case is largely built on predictive modelling rather than real evidence; fully developed examples are rare.

This is why we have undertaken this research – to hothouse emerging practice; to gather together the existing evidence; to establish a set of underlying principles that can support the development of

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bespoke approaches – however incremental or transformative – across local public services; and to offer a set of actions which might be of use to councils thinking about their own approaches to demand management. We hope they add value to the new thinking and practice that is so greatly needed.

Section 1
The 'emerging science' of demand management

'This is about taking a systematic, whole organisation approach to demand management… building it into the DNA of the organisation'
Interviewee from Calderdale Council

Demand management is an increasingly voguish term in public services. But is it new? One frequent observation from our interviewees was that it has always been an integral part of the way public managers do things. This is undoubtedly true, from public awareness campaigns and punitive measures, through to core public services designed to build our capacity to be independent and productive. Yet we are seeing something new emerge. Understanding and managing demand has not been part of the narrative of public service reform – but this is changing.

What we believe is truly emergent within public services is a clear, strategic and sometimes scientific application of demand management techniques with the stated aim of saving money; and sometimes also with the aim of developing and implementing new principles about the role of the state and its relationship with citizens.

A spectrum of different demand management approaches and techniques are being developed and used in public services, which vary in the degree to which they can be implemented in small, bespoke service areas or require corresponding system change; the complexity of the interventions; and the degree to which they challenge traditional understanding of the role of the state and citizens.

The table below is a summary of different types of demand and the range of interventions which make up the 'emerging science' of understanding and managing it. Some interventions are particularly useful for managing certain types of demand, though the relationships between different types of demand and strategies for managing it are not necessarily as linear as the table below might imply – in reality there is overlap and a degree of fluidity between the different elements.

Understanding demand	Is demand rising as a result of public service failure or poor design?	Is service demand arising from certain behaviours that could be hanged?
Type of demand	**Failure Demand**	**Avoidable Demand**
Possible strategies and approaches	System and/or service redesign Behavioural insight 'Nudge' Addressing root causes of problems	Building behavioural insight Behaviour change strategies Changing the relationships with citizens Shifting investment towards prevention System change - aligning state-to-state incentives and behaviours
Key strategy questions	What are the root causes of failure demand? How can the system be redesigned to be more effective and efficient, tackling demand early on? Should citizens and/or service users be involved in redesign?	How can we use behavioural insights to design better, more citizen-centric policy that moves? How can we change expectations of what citizens will do? Will shifting resources towards prevention help manage demand downstream? Can different research tools, methodologies and ways of collaborating across agencies build better insight? How can we encourage behaviour change through new forms of leadership and a different kind of conversation with citizens?

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Is the state providing more than is needed, or inadvertently creating demand through dependency?

Are there opportunities to provide services that are a better fit with what is actually needed by citizens?

Are citizens accessing services they don't strictly need?

To what extent is demand arising from causes which could have been addressed earlier?

To what extent is demand unintentionally reinforced by service dependence?

Excess Demand

Preventable Demand

Co-Dependent Demand

Building citizen/customer insight

Encouraging communities to take greater responsibility

Charging

Punitive measures for non-compliance

Changing eligibility criteria (restricting supply)

Understanding the root causes of demand

Building community insight

Working closely with users and residents to understand root causes and behavioural influences

Building community resilience

Alternative strategies to uncover community and personal capacity

How can we better understand the 'grain' of communities and the needs, assets, and resources of citizens?

How can we change expectations of what the state will provide?

Do councils/partners understand the impact of the services councils provide on the beneficiaries? Is the impact what we are seeking?

Do we understand the root causes of demand?

Do we understand the early signs of demand?

Can we influence demand earlier and/or prevent acute demand occurring?

What strategies can be put into place to help build the resilience and social and economic productivity of communities?

How can we move from a mindset of 'delivering services that meet need' to 'building on people's assets and supporting future livelihoods'?

Understanding the 'emerging science' — demand management interventions

A Behavioural insight, 'nudge' and service redesign

'With failure demand you act to turn off the cause'
John Seddon

Failure demand – a term coined by Professor John Seddon – refers to new or repeat demand generated by a failure in the very system designed to respond to demand in the first place. The term applies to any system that deals repeatedly with the same problem (or the same people) without actually effecting change in the service or people's lives that enables them to avoid repeated problems or use of the service. This may be because many services are designed to respond to the problem being presented, rather than the root causes of the problem, or because services are not designed in ways which suit the way people behave and make decisions.

Failure demand interventions can range from the redesign of call centre systems, to avoid repeat and lost calls which are generated because the reason a person has called has not been successfully dealt with, through to using 'nudge' techniques to effect small changes on people's behaviour. They are also relevant to attempts to tackle big social challenges, such as repeat offenders and chronic antisocial behaviour, though here they tend to be used as part of a wider system change involving a range of approaches, which we will examine in Section 2.

A number of case studies in Greater Manchester (GM) highlight the multiple touch points, costs and failure to address the underlying root cause(s) of a family's problems. [We have mapped the interventions with] one particular family, demonstrating the number of times they indicated they needed help and were passed around the system, experiencing multiple referral and assessment. This experience, repeated time and again with case studies across GM, is responsible for driving the large

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levels of failure demand and therefore wasted activity in our system.[3]

Recent years have seen a growth in interest in the application of insights from behavioural economics to public policy and practice, including publications such as *Nudge*,[4] *Nudge, Nudge, Think, Think*[5] and the Cabinet Office and Institute of Government's MINDSPACE,[6] and the setting up of the Cabinet Office's high profile Behavioural Insights (or 'nudge') Unit in 2010.

'Nudge' usually refers to interventions designed to go with the grain of human influences and behaviour, which gently 'nudge' people to make better – and cheaper (for them or the state) – choices. Notable claims by the Cabinet Office 'Nudge Unit' have included a 5-fold increase in the numbers of people agreeing to insulate their lofts, achieved by offering loft clearance alongside insulation, and an increase of £200m of taxes collected on time resulting from small changes to the wording of an HMRC letter.

> 'It is in the little details that no one in Whitehall usually gets into that the savings will be made'
> David Halpern[7]

'Nudge' interventions are normally based on an insight about how failure demand is being generated by service or design failure, often because policies have not been designed based on clear insight about the ways people might be encouraged to comply, for example signing up for organ donation or donating to charity. It is frequently also about the removal of small barriers, or 'friction costs', that impact the likelihood of compliance, for example the presence of junk which will need to be cleared from a loft before insulation.

'Nudge' techniques are sometimes seen as rather sinister – using design to influence people's choices, often without them being aware of how they are being influenced, and have been described as 'libertarian paternalism' – ie a manifestation of a 'state knows best' belief. It is

3   Greater Manchester Troubled Families Business Case http://www.agma.gov.uk/cms_
     media/files/121031_tf2_business_case.pdf?static=1
4   Nudge, Thaler and Sunstein, 2008
5   Nudge, Nudge, Think, Think: Experimenting with Ways to Change Civic Behaviour, Peter
     John, Sarah Cotterill, Liz Richardson, Alice Moseley, Graham Smith, Gerry Stoker and
     Corinne Wales, 2011
6   http://www.instituteforgovernment.org.uk/sites/default/files/publications/MINDSPACE.
     pdf
7   http://www.theguardian.com/society/2013/feb/05/david-halpern-government-nudge-unit

interesting to note that such techniques are routinely used in the private sector, sometimes fairly invisibly, for example in marketing campaigns, and sometimes very explicitly, as in the case of supermarket deals and discounting, with little comment or controversy.

> 'Some of the most agile and public spirited companies in the coming years will be able to do well and do good with choice architecture…'
> Cass Sunstein, interviewed in the *New York Times*, 2013

However, such concerns seem to be abating as 'nudge' techniques become more proven in fields which are uncontroversial, and perhaps as the appeal to personal benefits (for example free loft clearance and insulation; avoidance of late tax return fines) as well as collective benefit become clearer. A recent editorial in *The Independent* newspaper took the issue head on: "Far from infringing the liberties of citizens, behavioural economics uses our evolving understanding of human nature to liberate us from avoidable errors. It could produce better government and a better society… The application of behavioural economics is smart, scientific, and liberal."[8]

'Nudge' interventions are normally based on scientific evidence gathered through testing different approaches, often through randomised control trials (RCTs). We have found councils applying such insight within their local context; for example Calderdale have reviewed all their communications with residents to identify examples of where they create failure demand, and after costing the impact of repeat contact with residents, used 'nudge' insights to review all their letters and communication materials.

> 'We did a lot of work around internal and external communications. We found that lots of the letters and communications we send out to residents generated failure demand'
> Interviewee from Calderdale Council

8   http://www.independent.co.uk/voices/editorials/applying-the-insights-of-behavioural-economics-will-mean-better--and-cheaper--government-9022980.html, December 2013

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B Managing 'excess' and 'avoidable' demand

'Some constituents expect us to start picking up after them. They think we should start with areas where residents don't look after their own streets. Do not attack the council for not taking action when you don't take your own'[9]
Local Government Leader, Greater Manchester

Excess demand generally refers to demand beyond that which could be considered genuine. It may be because the state is in some way providing more than is actually needed. It may be because citizens are choosing to access services they don't strictly need. It may also be because the state is inadvertently creating demand through dependency. 'Avoidable' demand arises where bad behaviours or relationships are created or reinforced by patterns of service delivery.

'Around 90 percent of people arriving at A&E in this city leave in under four hours…'
Interviewee, North East local authority

This is a complex area that poses questions about our expectations of what the state will do for us, and what we should do in return. Demand for public services is inevitable; in some cases unavoidable, in other cases desirable. But austerity creates grey areas – areas in which citizens could – or should – take more responsibility for their own behaviour: for managing, funding, or meeting their own needs or complying with initiatives designed to recognise wider community benefits. We found councils and other public service bodies that feel those expectations can – and must – be changed.

Current debates about the pressures on accident and emergency departments (A&E) are a good example of concerns about excess demand, with many hospitals running public awareness campaigns urging people with non-urgent illnesses to attend their GP or a walk-in clinic instead of A&E.

9   http://www.oldham-chronicle.co.uk/news-features/8/news/66265/cleanup-prayers-are-answered

'When pressure builds across the health and social care system, the symptoms are usually found in the A&E department…'
Professor Keith Willett, NHS England

We also heard examples of council leaders and chief executives who temporarily suspended street cleaning in parts of their boroughs as a way of alerting residents to the pressures that littering puts on public services.

Case study

Keep Britain Tidy
'Which Side of the Fence?' campaign

Over one weekend in November 2013, Keep Britain Tidy worked in partnership with local authorities across the country in a social experiment to reveal the extent of the nation's littering behaviour in 25 different locations.

For 48 hours, only one side of the participating streets and parks were cleaned by environmental services teams, in order to demonstrate the scale of the problem to people in these areas. The scale of litter that built up on the uncleaned sides was documented in photographs and videos. Some of the councils involved organised community clean ups at the end of the 48 hours, and posted photos on their websites with information about how much they spend on collecting litter every year, together with links to their budget pages.[8]

Other ways of managing 'excess' demand include:

×   charging – either to act as a deterrent for use of the service or to help fund the costs of providing it – for example for local services such as bulky waste collection

×   introducing punitive measures such as fines for non-compliance, for example littering or failing to sort household waste correctly

×   changing eligibility criteria to focus resources on the most in need – for example in adult social care (managing demand through restricting supply)

These types of responses have their part to play in any council's demand management strategy. They can be tested (sometimes through Randomised Control Trials) and introduced reasonably quickly in specific service areas.

10   See for example: http://www.darlington.gov.uk/Environment/streetscene/ WhichSideoftheFenceAreYouOn.htm

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C Redesigning services based on better community or service user insight

Building better insight into communities and service users is a key component of any demand management strategy. Insight can mean many different things, including:
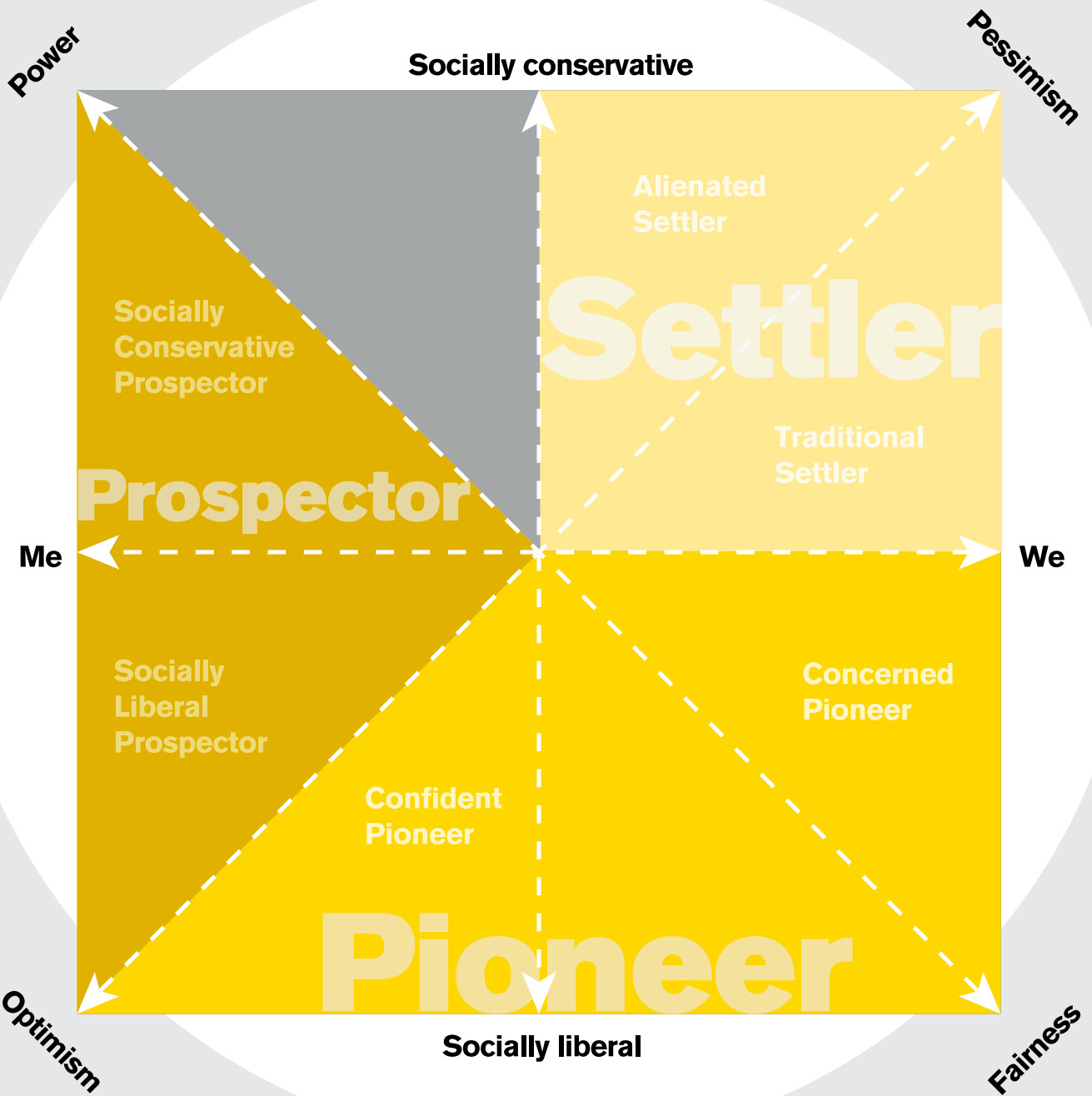
× why people make certain choices or behave in certain ways which cause problems and costs for themselves and others
× the influence of social networks and norms
× understanding communities better – what motivates people and what they value
× developing interventions that go 'with the grain' of how people think and behave (including 'nudge')

With councils beginning to look beyond 'MOSAIC' systems which help profile and segment customers, the value of building deeper insight is that interventions, whether in terms of policy, services or communications, can be redesigned to reflect what has been learned, and therefore be made more impactful and effective.

Values modes analysis

Our research has uncovered increasing use by local authorities of 'values modes' analysis, which uncovers the underlying values and opinions that really influence people's responses to the world around them. Understanding why people do certain things enables behaviour change strategies to be designed and campaigns to be targeted with this specifically taken into account.

Power

Socially conservative

Pessimism

Alienated
Settler

Socially
Conservative
Prospector

Settler

Traditional
Settler

Prospector

Me

We

Concerned
Pioneer

Socially
Liberal
Prospector

Confident
Pioneer

Pioneer

Optimism

Socially liberal

Fairness

Based upon: Pecorelli, N. (2013) *The New Electorate: why understanding values is the key to electoral success*, ippr, online at http://www.ippr.org/images/media/files/publication/2013/10/new-electorate-voter-values_Oct2013_11359.pdf

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Case study

Improving numbers of in-house foster carers
in Buckinghamshire

Buckinghamshire County Council worked with iMPOWER to use a range of techniques including values modes analysis to build insight into the motivations of current foster carers. The aim of the project was to increase the number of in-house foster carers in the county, helping the council avoid more expensive alternatives such as the use of independent agencies or children's homes, and also providing children with caring homes.

Guided by the question 'what is it that we could do better or differently to inspire more interest in foster care and sustain that motivation?', current foster carers were segmented according to their values sets, thereby revealing the core beliefs and behavioural drivers of foster carers, and why they want to be foster carers. These insights led to the development of new messages to guide recruitment campaigns and changes to the ongoing relationship with foster carers to help improve retention.

Buckinghamshire Council are working towards the recruitment of 50 additional foster carers, which would add more than 50 percent to existing capacity, and anticipate savings from the work in the region of £1m. These improvements are in line with projects elsewhere which have used similar approaches; for example work using values modes analysis in Hertfordshire led to a net gain of 50 in-house foster carers in 2013/14, with savings of approximately £1.25m.
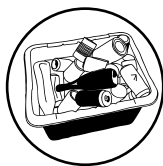
Case study

Recycling in Southampton
managing demand through building better customer insight

Southampton needed to improve the quality and quantity of recycling it collected from houses and flats as residents were putting wrong items in their recycling bins. In parts of the city where there was population churn this was significant, and in other areas it was apparent that lack of knowledge about recycling meant residents could be recycling better and more.

Lack of engagement with residents and information about recycling services were identified as one cause of this failure demand, which has environmental and financial costs and also impacts on the generation of income from sales of recycled materials.

Southampton began by developing deep insight into the motivations of residents and developing a better understanding of their needs. They used a range of techniques, including data analysis, which led to customer segmentation, supported by focus groups, a telephone survey and Bartec in-cab terminals in the refuse trucks to track refuse collections at household level and provide immediate information about behaviours.

The behavioural insights generated by this research helped the council to create communications and behaviour change campaigns tailored to specific audiences, with a focus on low to medium recyclers and students. Different techniques to improve understanding and change behaviour were used for specific groups, informed by the type of engagement and message they were most likely to respond to. For example:

×   Doorstepping was used for medium recyclers who were categorised as 'confused but well behaved', and whose preferred information channel was face to face contact. Visual inspections were then undertaken a month later in a small sample area to assess the impact of the first intervention.

×   Direct mail was sent to 31,000 households, focused on residents who did recycle but were classified as confused or doubtful, whose preferred service channel was through the post.

The council have also developed an app to target students, young professionals and transient young singles, whose preferred information channel is through their mobile phone, enabling them to self-serve and manage recycling themselves.

Customer led insight has achieved cost savings relating to waste reduction, alongside non-cashable benefits such as CO_2 reduction. By managing demand, there has been a reduction in contamination levels of 4 percent, savings of £115,400 were made on waste disposal, CO_2 emissions were reduced by 1,345 tonnes of CO_2 and textile recycling increased by 2.81 percent.

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The impact of social norms or networks on behaviour

There is increasing interest in the ways that public agencies might use greater insight into the impact which social norms and networks – sometimes at a very local level – can have on their behaviour, and the impact this has in turn on the effectiveness of public services. Networks, including the connections that make up people's day to day lives, have dynamic qualities through which behaviour, emotional states, conditions, and influence spread and cluster, often in quite specific ways. Social networks can therefore play a crucial role in meeting social and economic challenges.

The RSA's work on Connected Communities[11] has demonstrated the importance of social networks in achieving sustainable change through services and interventions. A good example of this is ongoing work by the RSA's Whole Person Recovery programme in West Kent,[12] which seeks to improve recovery outcomes for people in recovery from drug and alcohol misuse by the creation of stronger and more recovery-supportive social networks.

The 'whole system, whole place' approaches to demand management explored in Section 2 are attempts to build and respond to a more holistic understanding of the causes of social problems beyond the service lens, including social networks and norms and their influences on people's behaviour.

D Co-producing service design and commissioning

There is an established and growing evidence-base that the involvement of citizens and/or service users in the commissioning, design and delivery of services can lead to better, more effective services by creating better alignment between user need and provision.

> 'You can't call it commissioning if co-production isn't the most important component'
> Expert interview

Described by Professor Tony Bovaird of Birmingham University as "one

11   http://www.thersa.org/action-research-centre/community-and-public-services/
      connected-communities
12   *Whole Person Recovery: a user-centered systems approach to Problem Drug Use*, R Daddow
      and S Broome, 2010 http://www.thersa.org/__data/assets/pdf_file/0011/362099/RSA-
      Whole-Person-Recovery-report.pdf

of the most talked about themes in public services internationally", he conceptualises the shift towards co-production as moving away from 'services for the public' towards 'services by the public'. Work by his colleagues has neatly illustrated the difference between professionals' views of service users' priorities and the priorities of users themselves, showing how involving service users in the design process can lead to a fundamental rethink of assumptions which have historically underpinned the design and delivery of a service.[13]

Co-production is a well-worn phrase in government and policy circles, but is still arguably a relatively young agenda. It is also central to the future of public service design. For example:

×   Designing frameworks for commissioning and service delivery with the community – exemplified in the UK by initiatives like Turning Point's Connected Care and Lambeth Council's co-produced Outcomes Framework for Children and Young People

×   Building targeted, multi-agency approaches that address complex problems in partnership with citizens, families and communities. Initiatives such as the Making Every Adult Matter (MEAM) coalition's work in Cambridgeshire, Action for Children's 'intensive family support services', and the Winterbourne View Joint Improvement Programme are examples of this approach

×   Creating personalised relationships with citizens to improve health and human service outcomes. Classic examples of this type of co-production include nurse-family partnerships, which worked with young, poor first time mothers to build the right behaviours and social connections to enable them to look after their children

13   Martin Willis and Eileen Dunstan, University of Birmingham, 2009

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Case study

Chronically Excluded Adult service, Cambridgeshire
tackling complex and multiple needs through co-ordinated services, innovation and co-creation[12]

Partnering with a number of local statutory and social sector organisations, Cambridgeshire County Council and Making Every Adult Matter (MEAM) helped pilot a co-ordinated multi-agency approach to providing services to individuals with complex and multiple needs. MEAM estimates that there are approximately 60,000 adults nationwide living chaotic lives who have ineffective contact with services. This group impose disproportionate costs on society and the taxpayer, and the public sector has struggled to commission joined up services in response.

Key successful elements of the Chronically Excluded Adult (CEA) service include:

× Strategic and operational buy-in through the creation of senior level Board and Operational groups. Comprising key public sector commissioners from a broad spectrum of agencies, these groups bring the right people and agencies together across silos to join-up frontline working around the needs of specific clients

× A single point of contact for clients to help them navigate access to services, co-ordinate provision around their needs and follow and support them through the journey to rebuild their lives. The CEA co-ordinator has no other remit than meeting their clients' needs, with sufficient authority to employ innovative, multi-agency approaches and demand flexibility from local services

× Implicit recognition that long-term, transformative change is only possible if service users themselves are involved in co-creating them. Clients themselves have to want to make the changes needed to turn their lives around, and the CEA service is predicated on this approach; after building trust with their clients over a period of time, the co-ordinator is always ready for them when help is needed at any point in their journey

14   Source: Collaborate & Institute for Government research – extended version published in Crowe, D., Gash, T., & Kippin, H. (2013) Beyond Big Contracts: commissioning public services for better outcomes http://collaboratei.com/media/4617/Beyond%20Big%20Contracts%20Report.pdf

E Investing in prevention

'We need to stop thinking of what we do in terms of a reactive model'
County Council Chief Executive '

Investing in prevention is a crucial part of shifting from a model of reactive to proactive services. Again, prevention is not new, but there is certainly a new emphasis with local government and other public services on its systematic development and application. The establishment of the Early Intervention Foundation[15] is one sign that there is growing interest in changing the culture of public services from reaction to early intervention, addressing root causes rather than symptoms with the aim of avoiding poor outcomes and high costs later on.

'An authoritative study of boys assessed by nurses at age 3 as being 'at risk' found that they had two and a half times as many criminal convictions as the group not deemed to be at risk (by) age 21'
Graham Allen MP[16]

The Scottish government is actively developing ways to refocus public sector expenditure around prevention. Following recommendations from the Christie Commission on the Future of Public Services,[17] which recognised the urgent need to address 'failure demand', the Scottish Government's 2011 Spending Review allocated £500m to preventative initiatives and proposed a "decisive shift to preventative spending", coupled with "a step change in the way in which we fund and deliver public services." As part of this shift, three 'Change Funds' were developed, focused around reshaping care services for older people, early years and reducing re-offending, to foster local partnerships and a more preventative approach to public services.

Our research found many examples of councils thinking seriously about preventative services and tackling the challenge of how to measure the impact and savings achieved through early intervention. Many of them commented on the leap of faith required to invest in prevention when resources are reducing, often without the benefit of tried and tested

15   http://www.earlyinterventionfoundation.org.uk
16   *Early Intervention, the Next Steps*, Graham Allen MP, 2001 http://www.dwp.gov.uk/docs/early-intervention-next-steps.pdf
17   *Commission* on the Future Delivery of Public Services, chaired by Dr Campbell Christie, 2011 http://www.scotland.gov.uk/About/Review/publicservicescommission

models of investment or evidence of the benefits. However all felt that logically this is a crucial area for local government to understand and get right, sharing the evidence as it builds.

Case study

The Early Intervention Foundation

The Early Intervention Foundation (EIF) was established to champion the use of evidence-based early intervention measures to tackle the root causes of children and young people's social problems and improve their long-term outcomes – thus avoiding the expensive and ineffective service responses to problems once they have become entrenched. The EIF also forms one of the Government's 'What Works Centres', focusing on identifying effective and evidence-based early intervention programmes and approaches.

A key part of the EIF's work is to build the business case for early intervention, assembling evidence and drawing on methodologies such as the social benefit-cost ratio (BCR) to enable commissioners to understand the fiscal and social costs and benefits of investment. This allows service planners to assess not only the potential savings from reductions in service demand, but also the wider social and economic impact on communities.

The EIF is supporting 20 'Pioneering Places' to establish an early intervention strategy, quantify spending on early interventions, measure their outcomes and effectiveness, and improve delivery. The evidence from these projects will contribute to the emerging evidence base on upstream approaches to public services – a key element of effective demand management.

The evidence: There are a range of evidence-based early intervention programmes that have produced social and cost-related benefits. These include Functional Family Therapy for crime and the Family Nurse Partnership for child abuse and disruptive behaviour. The Blueprint for Healthy Youth Development provides a database of evidence, and resources such as the Unit Costs of Health and Social Care, the Department for Education's Family Savings Calculator, and the Troubled Families Cost Database are all useful sources of cost and demand-related evidence.

See: http://www.earlyinterventionfoundation.org.uk/evidence

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Case study

Worcestershire Children's Services

Worcestershire County Council has set up an 'Early Help Hub' as a single point of contact for professionals and families requiring family advice, support and access to appropriate Early Help Services. The service is a key aspect of Worcestershire's Early Help Strategy which aims to transform early help services so that they are locally responsive, targeted at communities and individuals in greatest need and clearly focused on improving outcomes for children and families. There are many services available to families and the Early Help Hub is there to find the right support for a child, young person or family.

The Early Help Hub, working closely with Children's Social Care Access Centre, helps build a profile of families who need support. This information is then used by the providers, who work directly with families and the commissioners who evaluate and design what services are needed, to nip issues in the bud and reduce demand on social care. Worcestershire is working with the Early Intervention Foundation to understand the impact of early intervention on outcomes and the savings that can be achieved. They are also developing financial tools to help model the costs avoided, for example by keeping children out of care.

F Integrating state to state behaviours and incentives to support genuine partnership working

Partnership working across the public sector is becoming ever more important as a means of designing services which fit local needs and creating efficiencies through better integration. Much of the 'whole system, whole place' approach examined in the next section aims to achieve these benefits. However, while many of the barriers to effective partnership working – for example different budget, reporting and accountability systems, ring-fenced funding etc – are well-rehearsed, less attention has been paid to the effect of softer influences on the behaviour and motivations of the staff operating within the system. If a big part of managing demand involves re-shaping citizen-state relationships, evidence is suggesting it is important that state-to-state relationships are considered too.

Case study

'Home Truths'

iMPOWER's 'Home Truths'[16] work with a number of local authorities has focused on revealing the different incentives and behaviours of staff within different parts of the state in relation to the same target group (older people), and the ways in which this compromises the effectiveness of services and drives preventable demand.

Working across eleven areas, the work is developing a deeper, measurable understanding of relationships, trust and motivation between citizens and partners across the health and care system, and building the case for a radical new approach to health and social care integration based on systematically transforming relationships.

Research has revealed a poor relationship and lack of trust between GPs and social care and low awareness among GPs of alternatives to residential care for older people. This combined with the greater influence of GPs over older people, compared with social work staff, means that GPs are driving demand for costly adult residential care which could be avoided through building better relationships and aligning behaviours and incentives.

Findings so far support the early modelling which predicted potential savings of £600m per annum to adult social care budgets, with potential savings for the NHS of over £1bn per annum.

G Unlocking the 'hidden wealth' of communities

'We have recruited 1,000 volunteers to help us 'watch out' for the elderly and keep them away from formal services for longer… this is a positive strategy about people helping themselves and others'
County Council Chief Executive

There are many examples, within the UK and internationally, of projects designed to take a different approach to improving outcomes and building stronger communities, which go beyond traditional services to attempt to harness what David Halpern has described as the 'hidden wealth' of communities. There are also a growing number of organisations dedicated to building what is often referred to as the 'relational state'.

These projects are designed on the principle that strong, connected communities are resilient communities, and that the capacity to make positive change exists within communities themselves. For example,

18   http://www.impower.co.uk/en/home-truths-436.html

Participle and the London Borough of Southwark's 'Southwark Circle' seeks to match people who need help with everyday tasks such as shopping or changing a lightbulb with people in the community who can help, thereby building a social network simultaneously.[19] FutureGov's 'Casserole Club' which matches people who need food with people willing to cook and deliver an extra portion of their daily meal, is also a good example. These initiatives are part of a growing range of 'shared economy' thinking and practice across the public and private sectors.

In projects such as these, the state's role is about providing the platform for social connection, rather than directly providing a service to respond to need. This is moving very much into the territory of new roles for citizens and the state which will be explored more in Sections 2 and 3, but they are also relevant to the 'emerging science' part of this report, because at this stage, these projects tend to be experimental and relatively small in scale, and often exist as reasonably isolated projects within local authorities and other local public services.

Case study

Shared Lives

Shared Lives is an organisation which seeks to develop small-scale, community and family-based services for people who might otherwise require formal social services, built around individuals' wishes, needs and gifts. Shared Lives supports a number of different approaches, such as Shared Lives, Homeshare and micro-enterprises. These support people to pursue ordinary lives within the families and relationships of their choice, enhancing their feelings of belonging and sense of making a full contribution to their community.

Shared Lives, as a method of care, outperforms other forms of residential care in many aspects, with greater satisfaction from people who live in Shared Lives arrangements and significant cost savings for each placement. Cost benefit modelling carried out for a business case by Shared Lives and Efficiency South East demonstrates that using Shared Lives rather than other forms of support creates per person, per annum savings to the local authority of between £23,400 (for older people) and £517,400 (for those with learning disabilities).

19   http://www.southwarkcircle.org.uk/our_story.php

Conclusion

This section has outlined a number of specific demand management interventions and techniques that local authorities and public services can use to try and reduce demand on public services. We found many examples of their use by local authorities, but it is notable that while many councils are using demand management strategies and techniques within specific service areas, we found they were very often small-scale, isolated examples. Very few were part of a wider strategy or even replicated within a small number of other service areas within the same local authority, despite mounting evidence that they are effective in saving money and improving outcomes. Interestingly, those that are trying to systematically implement demand management techniques across their work said that they were increasingly looking towards wider system change as the next stage.

Case study

Calderdale: a 'whole organisation' approach
to demand management

Calderdale are taking a 'whole organisation' approach to demand management, based on a set of principles they have developed and the learning from a small number of early projects, including communications and school transport. With a nominated senior officer leading on demand management across the organisation, they have developed a demand management accreditation programme designed to increase understanding of demand management across the organisation and enable managers to deploy demand management techniques and insights in their areas. Calderdale are now beginning to examine broader questions about the type of services they need and how to make decisions about investing their resources with demand management in mind.

We believe that the 'emerging science' of demand management is likely to be most impactful if it is considered within a wider agreed strategy of public service reform. This suggests that there is a need to understand and disseminate learning from these projects more widely, and move the use of demand management techniques more into the mainstream of local government practice.

In the next section we will look at some examples of 'whole system, whole place' reform which are attempting to use techniques such as these within the context of wider system change.

Section 2
Changing the system:
Whole system,
Whole place

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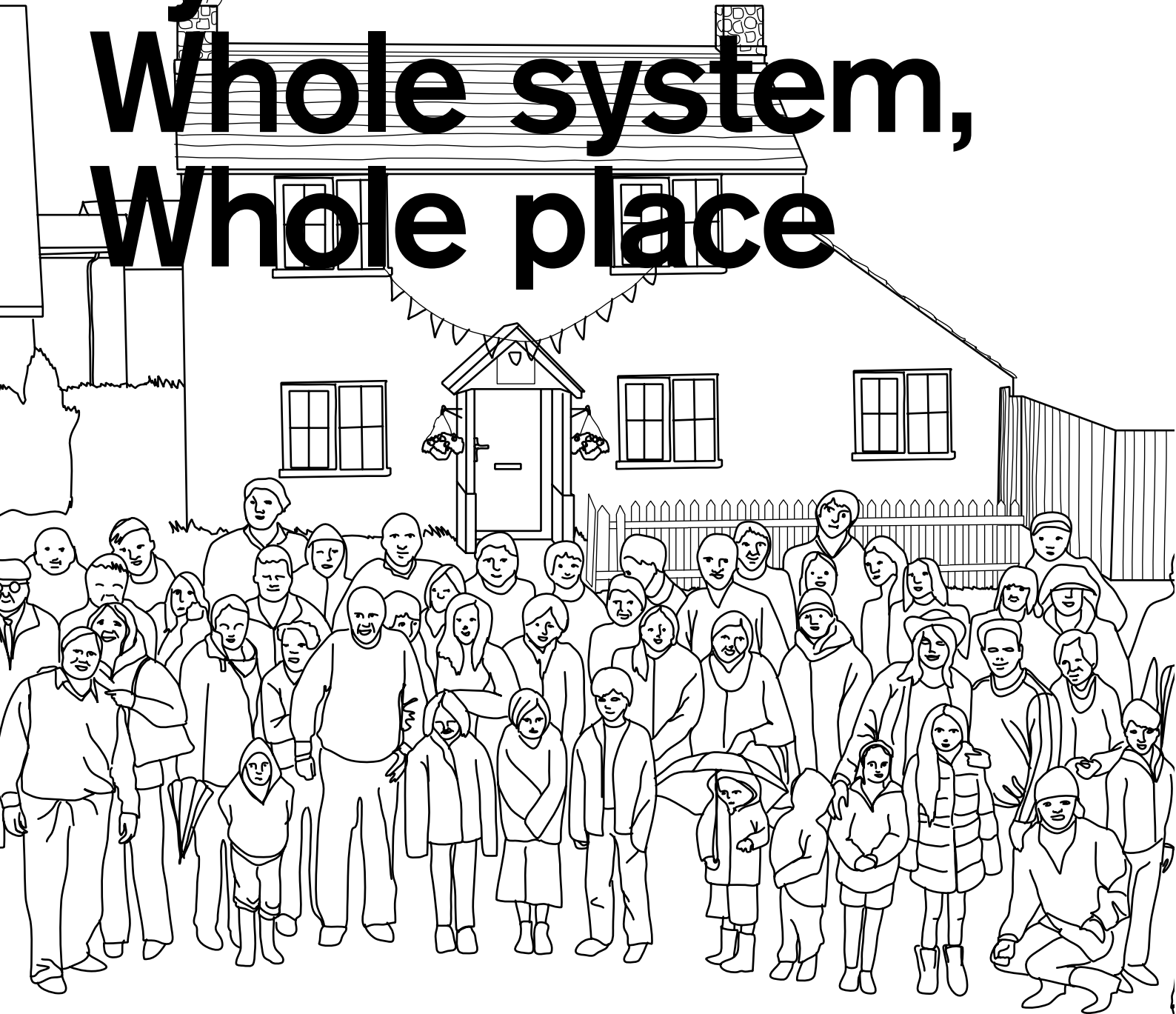
'We are increasingly getting into bigger questions about the shape of services and what to invest in'
Senior officer, Calderdale

Public service systems are hugely complex and often shaped around historic structures, funding arrangements, accountability mechanisms and even motivations which make little or no sense to the way in which people experience problems in their lives.

Financial pressures are adding new focus to a 'joined-up services' agenda which, while familiar in some ways, is being taken into new territory by a small number of councils from across the political spectrum that are beginning to developing 'whole system, whole place' approaches to building services around communities and places.

'Demand management is a driving force across our whole organisation… this is about looking at population trends and calculating the cost of future demand… doing 'proper maths' to frame the size of the issue and understanding how we can avoid some of those costs'
County Council Chief Executive

Such places believe that the real potential for savings and better outcomes lie in thinking beyond traditional 'delivery' or service silos – the supply side – across services and across place, starting from the perspective of people and communities and the various influences on their behaviour and circumstances. Hence the 'system' being changed is not just the public service system but also the wider social and economic system which affects people's lives, and where the root causes of many problems that people experience lie.

'We have successfully proved the case for demand management in small projects, now it is about doing it at scale and changing the system'
Senior Community Budget Manager

In some cases these initiatives are within one borough, in others they cover an entire county or even, as in the case of Greater Manchester, a

city region that includes a number of local authorities working together. They include the Community Budget pilots, which are beginning to generate real learning and impact at the end of their first year of implementation.

> We have developed new delivery models across GM that are able to gain a comprehensive understanding of the nature of demand created by and the underlying causes of problems experienced by troubled families. Adopting a systems thinking approach we will focus on the needs of the whole family in an integrated way across the whole public sector. This will provide an opportunity to radically reshape our front-line response to service users, removing waste, duplication and reducing costs.[20]

Attempts to create 'whole system, whole place' models of public services tend to share a set of principles which have been agreed among local partners, including:

× Issues are best tackled through the context of 'place' because local circumstances and norms influence people's behaviour, choices and opportunities

× The starting place for tackling issues in an area should be the place, the community, the neighbourhood, and in some cases the individual or the family, rather than the traditional service structures

× Working together to build community insight, create services which respond to that insight, pooling resources and working towards shared outcomes will be more efficient and effective than agencies working alone

× Local people identify with where they live and have a natural interest in being part of a strong community, so there is an opportunity to tap into this in order to generate behaviour change and a greater sense of responsibility for community well-being

× (In some cases) Councillors and the local authority can provide strong community leadership authority through their sense of place and democratic accountability

Integrating the work of different organisations across places and within

20   Greater Manchester Troubled Families Business Case, http://www.agma.gov.uk/cms_media/files/121031_tf2_business_case.pdf?static=1

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communities is complex and requires significant changes to the way organisations work – the way they invest, the types of interventions they fund, the ways that they engage with residents and the way that they build insight into local communities. Oldham have described it as a journey from a 'simple' model, in which specific interventions are targeted at key cohorts to reduce their demand on public services, to an 'integrated approach' in which different interventions are linked, through to a 'whole system, whole place' model in which the full range of factors which influence residents' attitudes and behaviours are included, for example social norms in the community, the economy, the physical environment and social networks.

Community Budgets

Community Budget pilots are attempting to create 'whole system, whole place' models which look at the whole system rather than individual services, though they are focused on core themes such as troubled families. The four pilot areas which have been in operation since 2012 aim to build evidence that local public services can be redesigned to work together towards shared local priorities, using new investment models, building better insight into the needs and assets within the local community and ultimately reducing the dependency of people on the state and public services. The Community Budget pilots are designed to:

×   Make better use of their resources by establishing joint budgets and sharing local knowledge, and an understanding of community assets and voluntary effort

×   Generate investment in new delivery models that improve outcomes, reduce demand for services and support growth

×   Remove central rules and regulations so local professionals can provide better services that suit their area

×   Give people greater control over their local public services

×   Establish local partnership and governance arrangements to create a unified approach for a given area[21]

21   http://www.communitybudgets.org.uk

Public Service Reform in Greater Manchester
Oldham's 'Whole System, Whole Place' pilot

Since June 2013 Oldham have been developing a 'whole system, whole place' approach to public service reform to test the benefits as part of the wider Greater Manchester (GM) Public Service Reform work which forms their Community Budget. The approach is designed to build on new delivery models developed as part of the wider GM work, but integrate this with work based within particular communities, in an attempt to change community norms as well as targeting individual families. It is focusing on:

×   Challenging and changing behaviours among frontline staff so that they provide constructive support and challenge to residents to help them become more independent and self-reliant;

×   Challenging and changing the behaviours of the community by making its residents more independent and self-reliant so that they place less demand on public services;

×   Challenging and changing the behaviours of key decision-makers and budget holders so that reduced service demand is reflected in changed investment, commissioning and decommissioning arrangements. This is designed to enable the council and local partners to use public sector funds more efficiently and effectively.

The approach is also designed to enable Oldham to bring together thematic work which was already taking place across the rest of the borough (for example health and social care, troubled families, work and skills), in an attempt to see these issues holistically as they manifest in a place, and also to shift approaches taken by the whole public sector workforce in the area to enable social norms to be shifted.

Oldham's early cost-benefit analysis, combined with detailed cohort analysis, has highlighted the following key points:
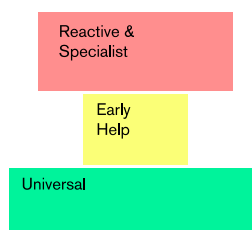
1.   The council's systems are overly complicated and do not always encourage or enable people to self-serve;

2.   The way the organisation works can mean people can access support when they have small problems and then reach crisis point before connecting with services – and then it is often too late;

3.   These issues are embedded in the way the council works – from its processes, structures and staff behaviours. Changing this requires a wholesale change in the public service offer;

4.   Oldham's work to date has demonstrated the significant impact that a person's friends, family and neighbours have on their attitudes and behaviours;

5.   The council will not make significant savings if it focuses only on investing in early intervention and prevention - this has to be part of a fundamental service re-design that re-profiles spend away from high-cost, reactive services and towards services that support people to develop the skills to help themselves – for example, life skills, confidence and self-esteem, and the ability to take control of their own lives. The proposition that Oldham are currently testing is that if it can put a solid layer of this type of support in, it will be possible to more safely scale back the level of support offered in high-cost, reactive services.
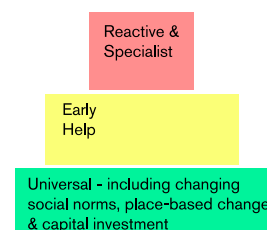
This is supported by a range of evidence-based interventions that all have this type of behaviour change and confidence-building support at their core – for example, Family Intervention Projects, Brief Interventions, a range of drug and alcohol support interventions, and a range of public health behaviour change interventions.

Making this shift would require a re-profiling of public sector spend:

From this   ...To this

Reactive & Specialist		Reactive & Specialist
Early Help		Early Help
Universal		Universal - including changing social norms, place-based change & capital investment

'Altogether Better'
West Cheshire's Whole Place Community Budget pilot

West Cheshire's Community Budget work – Altogether Better – is designed to reduce wasteful duplication of services, promote an integrated approach to service delivery and improve outcomes for residents. The key aims of the Altogether Better[3] programme include reducing demand for more expensive and long term services by:

× Reducing duplication and waste that exists in current delivery models

× Targeting resources to where they are most needed and in a way that is easier for people to see on the ground

× Providing better value for money

× Supporting, sharing and replicating excellent practice, with proven solutions that can be scaled up locally, regionally and nationally

× Providing services that genuinely make a difference to people's lives and that result in sustainable improvements for local communities

× Devolving and divesting services, responsibilities and assets to local communities where appropriate

× Enabling local communities to play a greater role in the design and delivery of services

× Supporting economic growth and job creation

The project is one year into implementation and a lot of the focus in that year has been on setting up the systems to support the work, including shared systems amongst partners, facilities, information sharing and how to understand and measure the impact of new delivery models – known as benefits realisation. This approach focuses on the metrics and baselines that enable partners to track progress and understand the impact of new models of service delivery, allowing partners to move from theoretical cost-benefit analysis to real data.

Innovative projects that work across themes have been established, including one known as Integrated Early Support, which supports children and young people with multiple needs and troubled families, as well as tackling domestic abuse in a joined up way. This approach brings together three of the original business cases submitted to Government to avoid new silos. The ultimate aim is to improve outcomes by intervening before people's problems escalate to crisis points, thereby reducing demand on costly acute services.

West Cheshire's business plans predicted savings overall from the Community Budget in the region of £106m gross and £51m net over five years, but savings were not expected at scale in the first financial year of implementation (2013-14). However, some early learning is available, which includes encouraging signs across the board. Those from the Integrated Early Support work include:

× The balance between 'step ups' to statutory social care and 'step downs' from social care is shifting, indicating that multi-agency support to individuals and families below the social care threshold can help prevent escalation. This positive trend in step downs could result in a financial saving of between £378 and £2,416 per case when looking at the case's management costs only, but importantly, by intervening earlier and preventing a case escalating, avoids a child potentially being taken into care (average placement cost of £44,676)

× Very small numbers of people are being re-escalated into social care after they have been 'stepped down', and significantly lower numbers than before the integrated care system was in place

× In some cases, due to earlier intervention to prevent a case escalating, demand for services can increase (we found this is a finding common to areas focusing on early intervention) – however it is anticipated that corresponding reductions in more acute interventions should be seen over time, resulting in significant financial savings

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22   http://www.altogetherbetterwestcheshire.org.uk/

× Practitioners are reporting that improved access to multi-agency information is assisting them in accurate decision making, operating in partnership with agencies in case management teams is helping lead workers engage with hard to reach families and find out the truth about their needs, and families and individuals are clearer on the issues they need to address and the support they require

× There is evidence of an increased usage of the model and the percentage of contact suitable for case management is increasing

× Process improvements are being captured – a more efficient process from contact to case management (less duplication)

However the West Cheshire team is also clear that demand reduction takes time – the families being worked with are complex and the impact of early intervention does not always manifest in the short term, and it is anticipated that greater demand reductions and savings will be achieved as the programme matures.

Conclusion

These projects that attempt to redesign the whole system go beyond specific, targeted interventions and techniques such as those outlined in Section 1, which often focus on making the existing system work more effectively, and often operate within individual services on a reasonably small scale. Although those also have their place in a whole system approach, it is likely that here these different techniques are being used in combination as part of a wider strategy, to explore new and innovative ways in which demand can be fundamentally prevented from arising, through a new holistic understanding of the causes of demand that lie in real communities, real places, and the way that services operate.

It is also more likely in a 'whole system, whole place' approach that different services and agencies are working together to respond in a joined-up way to the needs of the community rather than the convenience of public service structures. In some cases this takes the state into new territory, investing in community capacity, resilience and relationship building.

Projects such as these are moving us towards a new relationship between citizens and the state, based on a set of principles and agreements about the role of public services and the aims of public investment which local partners and local people can be encouraged to engage with. We will examine these principles in Section 3.

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Diagram: Characteristics of different types of approaches to demand management

Emerging Science	Whole System, Whole Place
Tend to be small scale projects, operating alongside or outside the rest of the public service architecture and system, though sometimes used as testers and precursors of wider system change	Attempt to redesign the whole system of public services to take into account the reality of people's lives and the range of local partners and services
Generally use one or two demand management techniques within a project	Use many demand management techniques in combination
Relatively simple to track savings from the projects	Difficult to track savings that are directly attributable to the whole system change, because of the complexity of the interventions. This is work in progress
Can be undertaken by individual public service bodies without the involvement of other partners	Require the development of shared principles about the role and value of public services which underpin the work
Require some recalibration of the relationship between citizens and the state, but only within the context of the individual project	Require a more fundamental recalibration of the relationship between citizens and the state
Can operate within the existing public service structures and relationship between central and local government and public services	Likely to require changes in the relationships between central and local government and local partners

Section 3

Managing Demand: Building Future Public Services
Principles of public service reform:
building a new relationship between citizens and the state

Section 3
Principles of public service reform

Building a new relationship between citizens and the state

Section 3

Managing Demand: Building Future Public Services
Principles of public service reform:
building a new relationship between citizens and the state

Through our research we detected a fundamental shift taking place in the way that some people are thinking about the role of public services.

Our research uncovered a growing belief, very likely highlighted by the pressures of austerity, that our current model of public services is unsustainable over the long-term. Many of the people we spoke to, both politicians and officers, are beginning to articulate the case for a re-thinking of the role of the state and the relationships between public services and citizens.

In many cases this is politically-led, and evidence of it ranges across the political spectrum, though the language that politicians of different parties use to express it varies. The role of politicians in providing leadership for a shift of this magnitude is crucial in many local areas, providing a democratically accountable voice for change and sometimes enabling tough messages to be expressed, although we found examples of strong leadership from Chief Executives too.

We identified three key themes guiding attempts to re-think the principles that drive the design and provision of public services and the relationship between public services and citizens:

× Changing expectations: encouraging people to demand less from public services and do more themselves – with a concurrent shift in the role of the state to enable this

× Supporting people to be healthy, productive and socially connected

× Viewing people as assets who can help achieve better outcomes

Based on these themes, the 'new' principles being articulated are as follows:

× The role of the state is not principally about 'delivery' but building stronger communities:

  ▪ Communities that are more connected and resilient and 'need' public services less

  ▪ Supporting all the different players within the system to successfully play their own part in creating good places to live and producing social value (or better outcomes)

× Citizens – people – are not passive recipients of services but have an active role to play in creating better outcomes for themselves and

Section 3

Managing Demand: Building Future Public Services
**Principles of public service reform:
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others (which the Commission on 2020 Public Services referred to as social productivity)

× Relationships matter – value is created at the point where interaction between state/public services and citizens takes place (an analysis currently being developed by Participle, NESTA and others in their 'relational welfare' programme)

Councils that are attempting to implement these principles in practice are using all or some of the techniques and approaches outlined in this report. All the case studies described here are guided at least to some extent by these principles, and all demand management interventions that involve at least some degree of recalibration of the role of the citizen and the state. Not all councils attempting to put into place a new citizen-state relationship are yet attempting 'whole system, whole place' reform which systematically involves all local partners and attempts to see problems beyond the service lens as they manifest in people's lives. But many are beginning to see this as the longer term strategy.

We believe that a shared set of principles underpinning public service reform within a place is the glue which brings together a complex and varied set of projects and initiatives into a coherent change strategy – and a future for local government which is not about 'managed decline' and retreat into statutory provision, but a strong community leadership role.

This is not about special pleading on behalf of local government, aimed at protecting the future of the local government sector. Indeed, the only way to protect local public services in the face of future challenges is to change what they do. Local authorities and their partners need to find the most effective ways of supporting people and communities to be socially and economically productive, and ensure that communities are strong and resilient.

Section 3

Managing Demand: Building Future Public Services
Principles of public service reform:
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Social productivity

'Social productivity' was proposed by the Commission on 2020 Public Services as the foundation for a new relationship between citizen, society and the state.[1] The Commission argued in its final report (published in 2010) for a new settlement for public services, emphasising the importance of responsibility and reciprocity as essential characteristics of a more resilient society, including the duty of citizens to contribute to society, as well as their right to receive support.

The Commission argued that public services should be judged by the extent to which they help citizens, families and communities to achieve the social outcomes they desire, and that at a time when state resources are squeezed it is vital to mobilise the 'hidden wealth' of citizens. Public services should aim to:

× Help create social value for citizens and communities
× Enhance citizen autonomy, capability and resilience
× Mobilises the hidden wealth of communities
× Support existing social networks and build collective community capacity

After the Commission reported the RSA 2020 Public Services team was established at the RSA, working with organisations from the public and private sector to turn social productivity into practice.

Case study

Cooperative Councils

Cooperative Councils are committed to reforming the way they work through building an equal partnership with local people and building new models of co-operation which fundamentally re-balance power between public services and citizens. Their aims are to build stronger and more resilient communities, achieve better outcomes and manage demand on public services in the future. There are currently around 20 Cooperative Councils across the UK and their numbers are growing.

The focus and priorities of 'Coop Councils' vary from place to place, but underpinning their work is a belief that it is better to work with local people than to treat them as passive recipients of services, and that by involving people in decisions which affect them and their community, people can be encouraged and enabled to take greater responsibility. Many Coop Councils are moving towards new commissioning models which directly involve local people in the commissioning process and move towards a focus on the outcomes local people want, rather than outputs, as well as how people can be involved in achieving those outcomes.
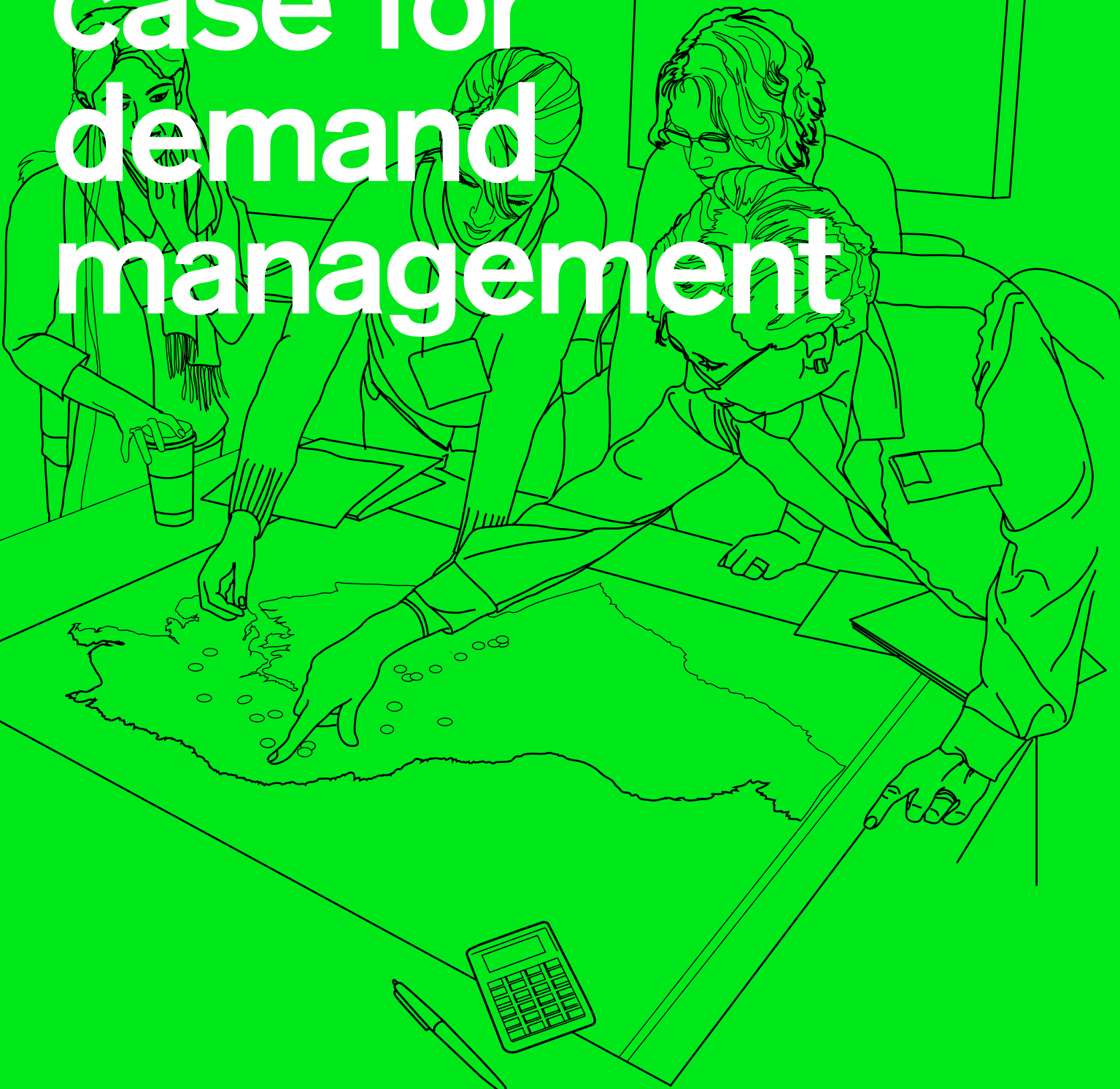
23   *From Social Security to Social Productivity: a vision for public services* – The final report of the Commission on 2020 Public Services, 2010 http://clients.squareeye.net/uploads/2020/documents/PST_final_rep.pdfa vision for 2020 Public Services. The final report of the Commission on 2020 Public Services

Section 3

Managing Demand: Building Future Public Services
Principles of public service reform:
building a new relationship between citizens and the state

To fundamentally rethink the principles which underpin our public services is no small ambition. We have spoken to places determined to do it, but it is an interesting question whether it can really be achieved through purely local leadership. National politicians and policy could also play an important role, and a national debate about the future of public services could help air some of these questions more openly. In addition, changes to national as well as local policy may be required; for example the way that central government works with local government and other local services; the way services are funded and held accountable for their performance; and the levers which local institutions have over local spending such as benefits. This report is not the place to explore all of these questions in detail, but they may become more pressing as demand management in all its manifestations becomes a more commonplace part of thinking and practice in public services.

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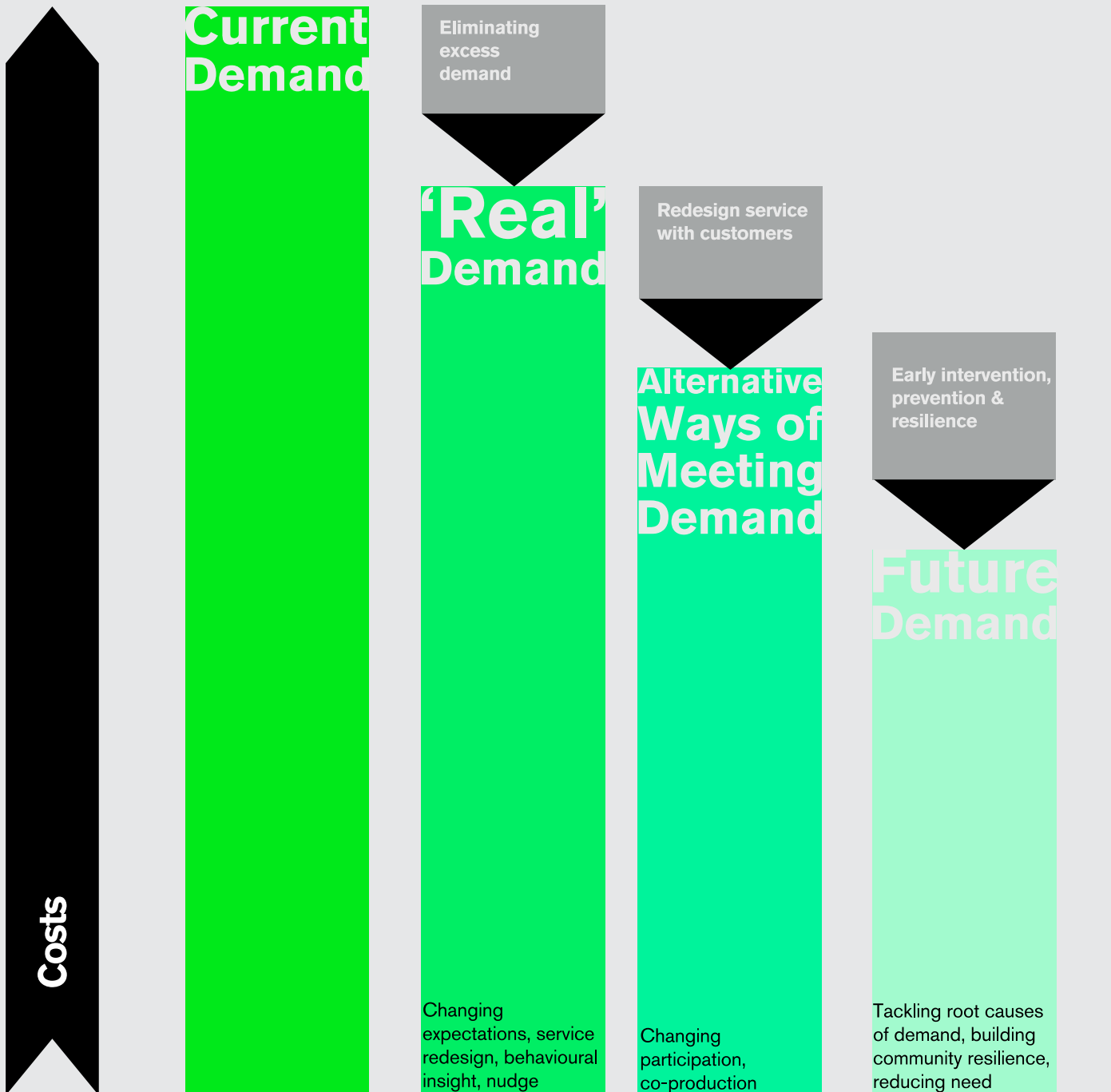
Section 4
The financial case for demand management

When we embarked on this research, we intended to examine and build the financial case for demand management in public services. This has proved a difficult task, for several reasons:

×   Managing demand ranges from the application of a suite of specific tools and techniques, such as 'nudge', through to ways of working such as co-production, through to investing in prevention and partnership working and ultimately re-thinking the role of the state. There is evidence that all these different approaches can help achieve savings, but the complexity makes it difficult to be clear about the overall potential for savings that 'demand management', when thought about as a single strategy, can achieve

×   Much of the evidence currently relates to small-scale projects in single service areas or across specific themes, such as troubled families or work and skills, making it difficult to build a picture of the overall potential savings

×   The business case for much of the more systemic work, such as community budgets work, is based on predictive modelling. The early stage of implementation of most of these projects means that it is too early to be clear about the savings they will achieve

×   Very few places, if any, are currently attempting to apply all these different ways of thinking about demand management together, or attempting to measure savings across the board

The theoretical case for financial savings through managing demand is summarised in the diagram below.[23] The scale of the potential savings increases as interventions move from the short to the longer term, and move from small scale, bespoke projects towards whole system change (though in practice councils may be doing elements of all these approaches simultaneously).

23   Developed from work by iMPOWER

Costs

Current Demand

Eliminating excess demand

'Real' Demand

Redesign service with customers

Alternative Ways of Meeting Demand

Early intervention, prevention & resilience

Future Demand

Changing expectations, service redesign, behavioural insight, nudge

Changing participation, co-production

Tackling root causes of demand, building community resilience, reducing need

Payback | **Short term** | **Medium term** | **Long term**

System Change

What savings could be realised by a more systematic approach to demand management?

iMPOWER has modelled the potential financial opportunity that lies in applying demand management techniques across seven service areas. Using national performance and expenditure data sets, they analysed how councils are performing in comparison to their peers and determined the average costs to councils at different levels of performance. Focusing on performance metrics that provide an indication of the effectiveness of demand management – for example, lower percentages of older citizens entering residential care suggests effective provision of alternatives – the modeling indicated that improving local authorities' performance to the next quartile in the national data set could save £3bn across the seven service areas, equivalent to 14 percent of baseline expenditure. Extrapolation of these figures over other local government services where demand management could be applied gave an indicative £5bn potential saving for English councils.[24]
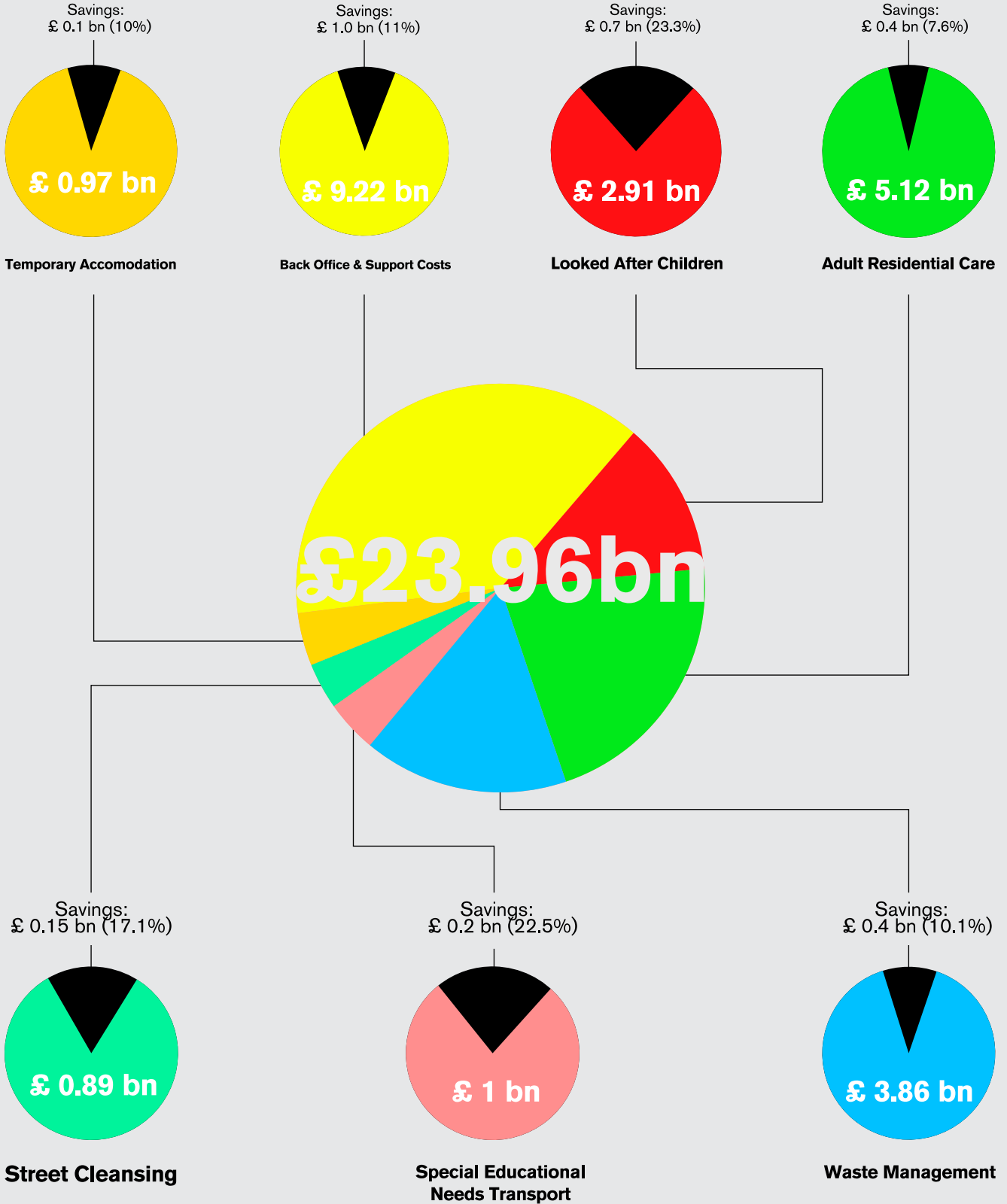
For the purposes of this project, we asked an economist to evaluate the robustness of this model and suggest ways in which it could be improved. We built additional externalities into the modeling for reablement of adults (taken as an indicator of management of demand for residential care), such as the percentage of pensioners in the population and deprivation indicators, trying to establish whether there were local factors, outside of the control of local authorities, that constrained their ability to make savings through demand management. The results suggested that this is not the case: there appears to be no relationship between local variables and the performance of councils in reablement.
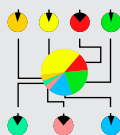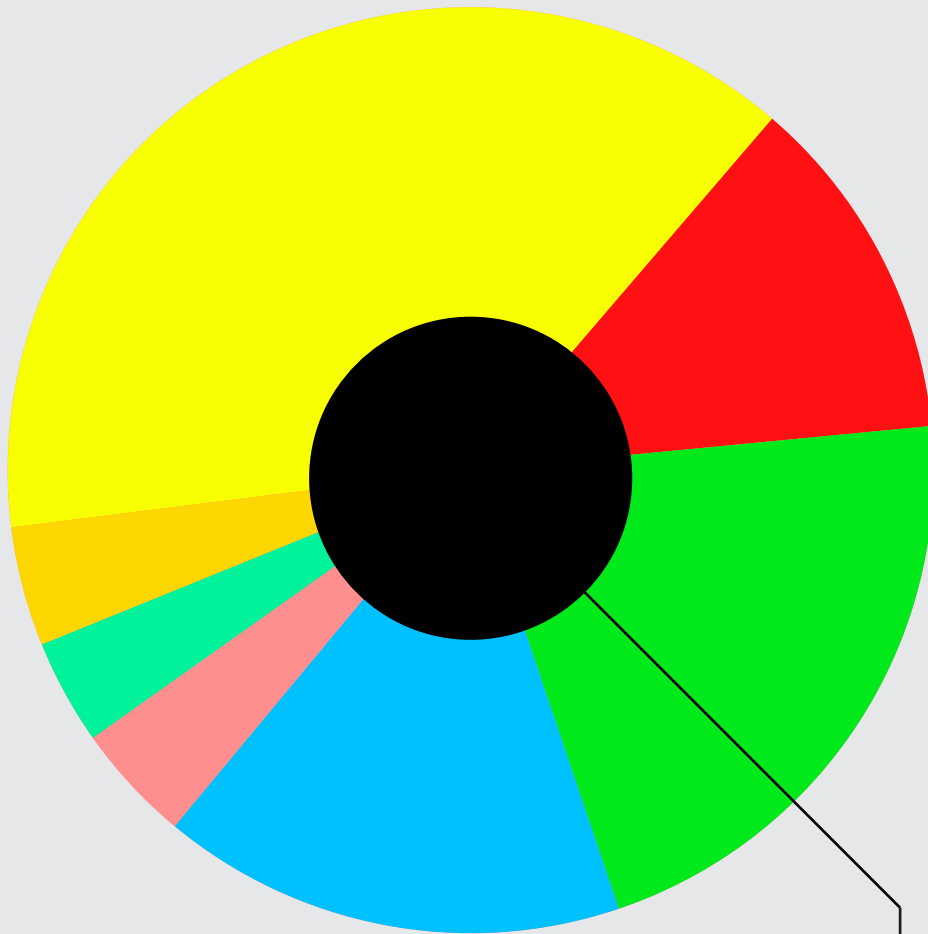
How much faith can be put in numbers such as these is questionable, with such a high degree of extrapolation and so many assumptions built into the modelling. However they do suggest two things: firstly that sizeable savings are likely to be possible from demand management across multiple service areas; and secondly that external factors that are outside of local authorities' control – for example deprivation and

24 *Changing the Game*, iMPOWER, 2012, http://www.impower.co.uk/public/upload/fichiers/106/impowerchangingthegame.pdf. Based on local authority performance data from 2009/10

Potential savings from behaviour change in representative public service areas

Savings:
£ 0.1 bn (10%)

£ 0.97 bn

Temporary Accomodation

Savings:
£ 1.0 bn (11%)

£ 9.22 bn

Back Office & Support Costs

Savings:
£ 0.7 bn (23.3%)

£ 2.91 bn

Looked After Children

Savings:
£ 0.4 bn (7.6%)

£ 5.12 bn

Adult Residential Care

£23.96bn

Savings:
£ 0.15 bn (17.1%)

£ 0.89 bn

Street Cleansing

Savings:
£ 0.2 bn (22.5%)

£ 1 bn

**Special Educational
Needs Transport**

Savings:
£ 0.4 bn (10.1%)

£ 3.86 bn

Waste Management

Total Expenditure £23.96bn

Potential Savings £ 2.94 billion

population make up – appear not to affect the ability of councils to find ways of effectively managing demand.

Other modelling exercises which have attempted to assess the scale of the savings which could be achieved from demand management have produced similarly large figures. EY[25] produced an aggregation model to represent the potential national benefits identified through the four Community Budget business cases that were submitted to the government in October 2012. Although their figures are also highly sensitive to the assumptions made about the ability of local public services to apply the local approaches taken by the pilots (and of course to the pilots themselves being successfully implemented and producing savings in line with those predicted), the modeling predicted a potential 5 year net benefit from community budgets of between £9.4bn and £20.6bn.

In addition to the potential savings, EY concluded that "the Whole Place Community Budget pilots provide evidence that new ways of investing in, integrating and delivering public services can deliver net financial benefits. They are part of the solution to the public sector funding gap". Further work to develop Community Budget-type approaches to public service reform is now being taken forward by the Public Services Transformation Network, which is helping 9 new areas to learn from the 4 pilot areas, with support from Whitehall officials, as well as involving a wider set of local authorities. Established to try and move away from the pilot model and towards wider reform, the Network has described its role as "trying to create a movement for change"[26].

However there is an interesting caveat added to EY's conclusions; which is that the net benefits are spread across the public sector. For example they estimated that local authorities would achieve under a fifth of the total net benefits achieved through community budgets across all thematic areas.

This conclusion is backed up by spending analysis from Community Budget areas, which has caused some places, such as Greater Manchester, to raise the issue of whether there needs to be greater local control over the totality of spending within an area, and greater sharing of the rewards of spending reduction (for example in welfare

25   *Whole Place Community Budgets: A Review of the Potential for Aggregation,* LGA, 2013 http://www.local.gov.uk/c/document_library/get_file?uuid=29b7253f-3132-4617-be79-88ada11cf5e0&groupId=10180

26   http://www.lgcplus.com/news/analysis/transforming-the-community-budget-pilots/5064425.article

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spending) in order to incentivise councils to take a 'whole system, whole place' approach to demand management.[27] Analysis of public spending in Greater Manchester by AGMA shows that although spending by local authorities fell from 2008–09 to 2013–14, this shortfall was almost entirely picked up by increases in spending on benefits and tax credits and health.

Greater Manchester spend in real terms 2008–09

AGMA and Greater Manchester analysis of public spending across the area also demonstrates that 35 percent of public expenditure is reactive, and therefore hypothetically preventable through early intervention. Attempts to establish whether there is real potential to reduce the spend through new ways of working developed under the public service reform themes (early years, health and social care, transforming justice, troubled families and work and skills) established that the bulk of spend in GM could theoretically be influenced by the PSR programme, suggesting that there are greater possible financial gains to be made in the future.

Conclusion

As set out in the first stage of our research *Beyond Nudge to Demand Management,* the LGA have predicted cuts to local government funding of £7bn by 2019–20, alongside increases in costs from rising demand of £7.4bn in the same period – a total shortfall of £14.4bn that has come to be known as the 'jaws of doom' within local government.[28] While it would be over-simplistic to suggest that the modelling set out above shows that various approaches to demand management can close this gap entirely – the two examples are modeling different approaches, based on different assumptions – given the scale of the financial challenges currently facing local authorities, it is clear that demand management must be part of the answer.

27   http://www.agma.gov.uk/cms_media/files/121031_ws2_business_case.pdf?static=1
28   Source: LGA projections based on DCLG outturn data, July 2013 (details at www.local.gov.
     uk/finance); taken from RSA/ESRC/LGA/iMPOWER first stage report Beyond Nudge to
     Demand Management http://www.thersa.org/__data/assets/pdf_file/0010/1526275/RSA-
     Demand-Management-document_04072012.pdf

Greater Manchester spend in real terms 2008−09
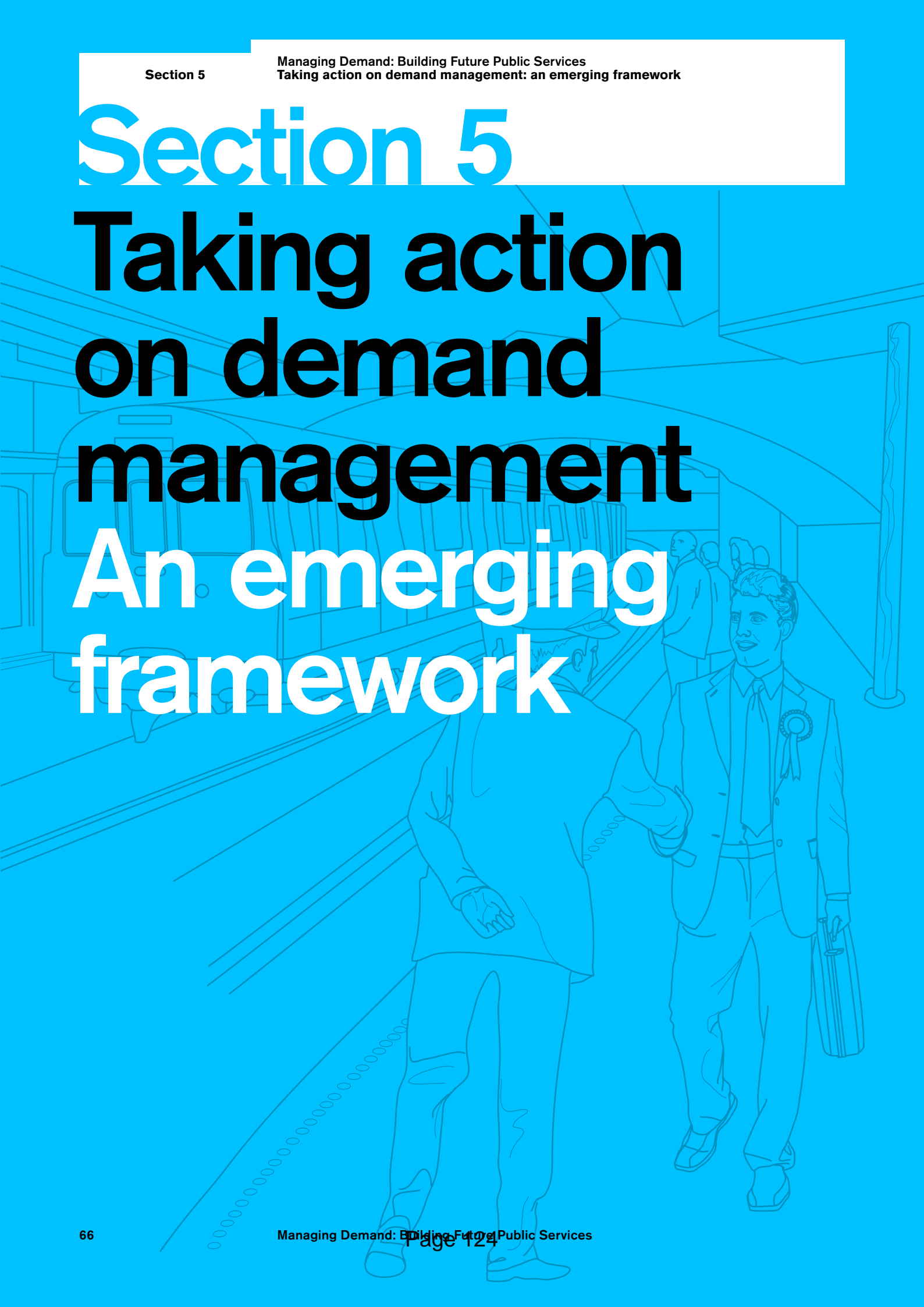

£**22.4bn**
08/09 expenditure
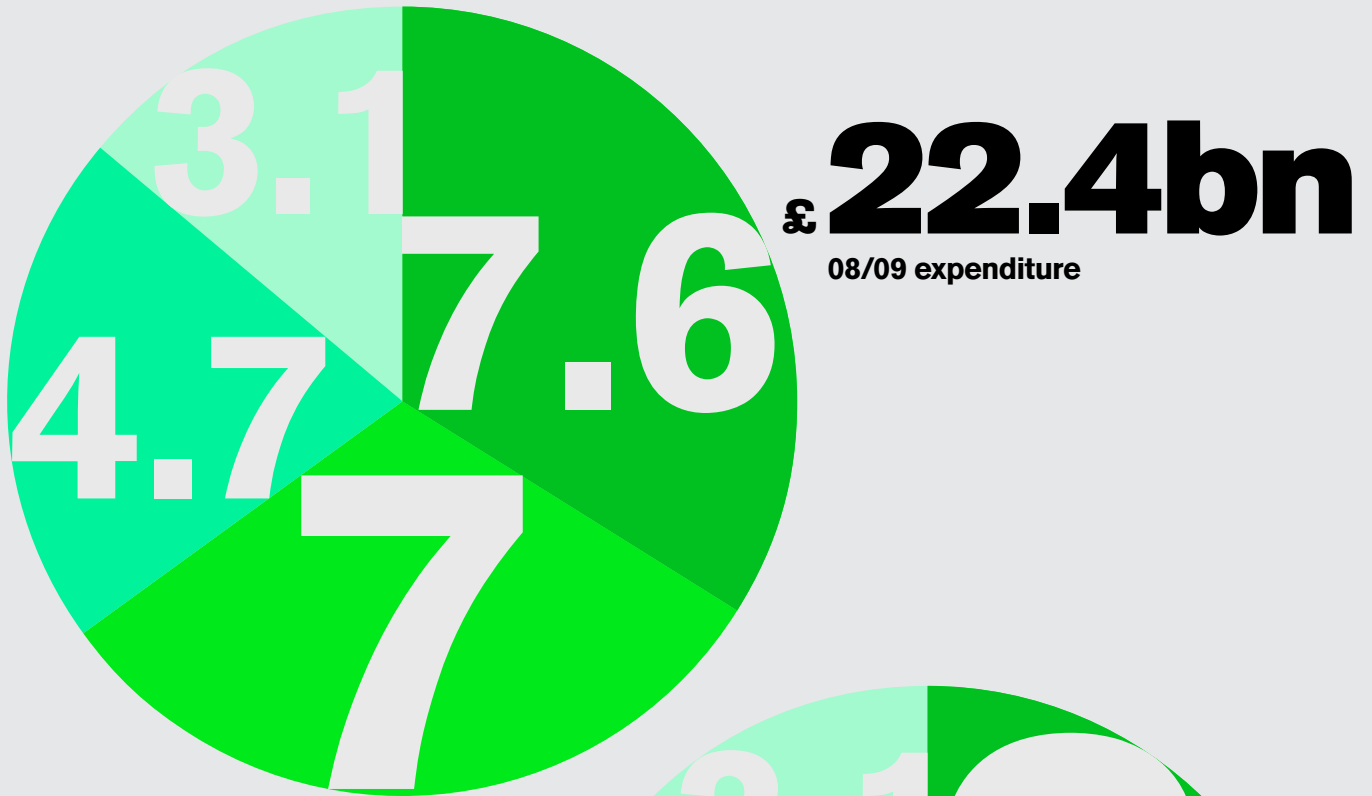
£**22.2bn**
11/12 expenditure

- Benefits and tax credits
- Local authorities
- Health
- Other

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Section 5

Taking action on demand management

An emerging framework

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'We started by identifying a few areas to take forward a demand management approach… we're now building it into everything that we do'
Senior interviewee, Calderdale

'Trying to understand the way a population acts or responds the way it does is key…'
Public Sector Commissioner, Collaborate/IFG focus group[29]

As illustrated throughout this report, local authorities and wider public services are at very different stages of thinking about demand management. Some of those who are leading the way have been highlighted here, others are at the beginning of thinking about what demand management might mean for them. This section suggests some ways of thinking about demand management which might offer a place to start or a way of thinking about developing current approaches and making connections between different elements of the public service reform agenda. They are steps councils and other public services can take as part of a framework for understanding and managing demand in their communities.

29   Quoted in Crowe, D., Gash, T. & Kippin, H. (2014) *Beyond Big Contracts: commissioning public services for better outcomes,* Institute for Government and Collaborate
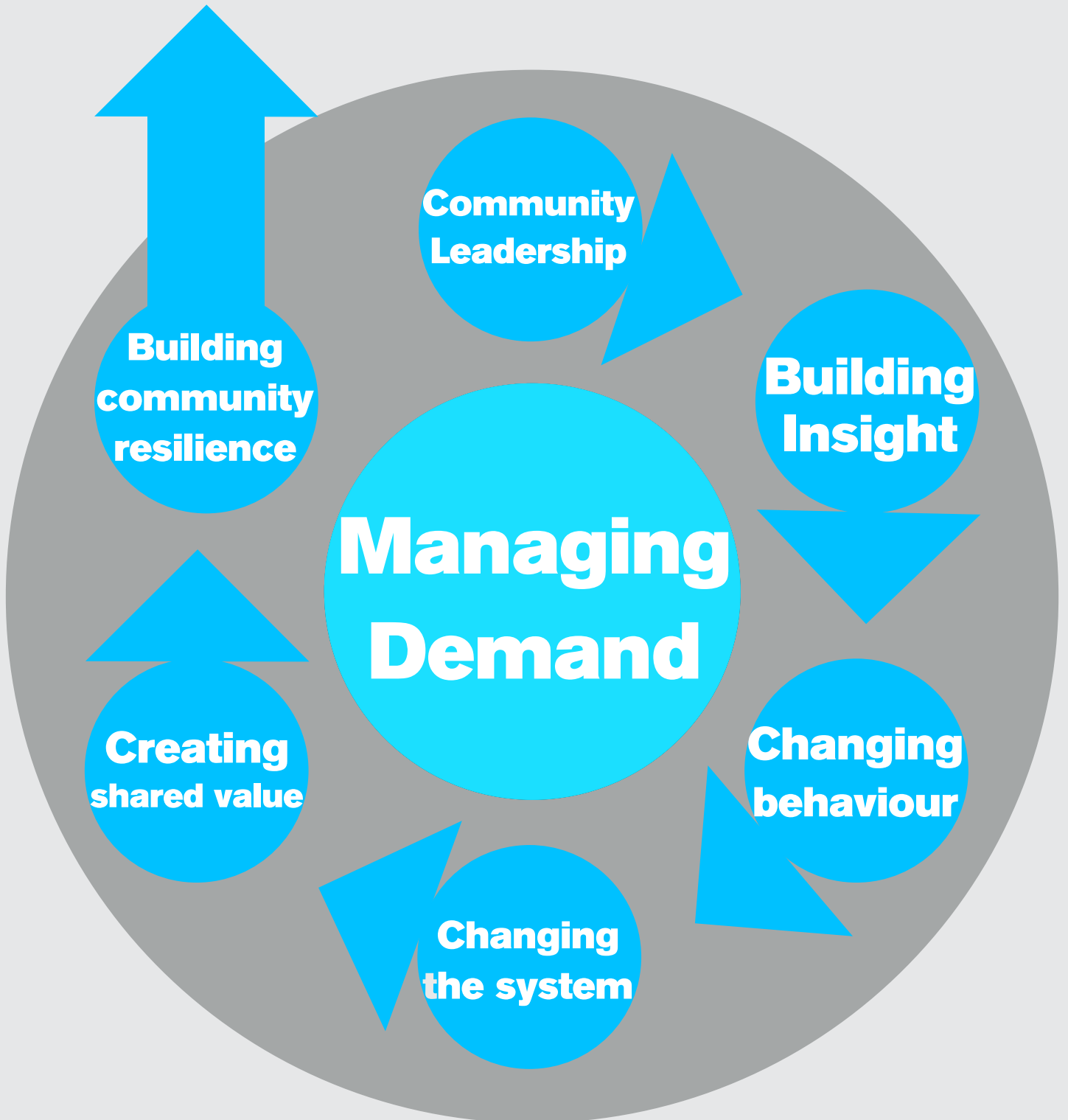
1 Community leadership – bringing the politics in

For demand management to be transformative, rather than a small collection of unconnected initiatives, it must become part of broader political narratives about the future of local public services. Politicians themselves must begin using their political skills – narrative, communication, persuasion – to forge new co-productive and collaborative relationships with communities.

The following themes are important:

Demand is political

As the New Local Government Network's Simon Parker writes, "the dramatic reductions councils currently face demand a new kind of leadership, focused on engaging the community to make difficult decisions about (for example) whether to cut care, after school clubs or school transport".[30] Community leadership – what the LGA has called councillors "enabling local communities to steer their own future" is thus core to creating a climate for better engagement and a more grown up conversation with citizens.

> Local politicians play an important role. If communities need to take more responsibility, then their representatives must lead the way"
> Conservative Party Local Government Advisor

We found a small number of compelling examples of strong political leadership on this agenda, in places such as Sunderland and Oldham, which seemed to play an essential role in translating big concepts into real change on the ground and in communities, and also provide a means of communicating some more controversial changes such as changes to services. They also spoke of the essential role of councillors in bringing together partnerships with other local agencies and helping organisations see their role in terms of the whole community and whole place, rather than service silos.

Several interviewees we spoke to bemoaned the prevalence of a 'fix

30 *Future Councillors Where next for Local Politics?* Edited by S Parker and L Scott-Smith, 2013
http://www.nlgn.org.uk/public/wp-content/uploads/Future-Councillors_FINAL.pdf

it' culture in local government, wherein politicians often inadvertently contribute to increasing demand on council services through an inability to have conversations with residents about taking shared responsibility for local outcomes. Effective community leadership means turning this situation on its head – asking how elected members can be part of a new, co-productive approach that positions local politics not as a barrier to effective commissioning and service delivery, but as an essential enabler.

Language matters – find the right political narrative

> Members don't like the term demand management. They think it's about stopping people getting their entitlements. They like the idea of resilience better"
> Senior local government interviewee

It is not surprising that one frequent comment from those we spoke to was that the term 'demand management', while useful in the context of a report largely aimed at local authority officers, does not work for politicians or the public. Our research suggests that demand management – where it is understood and communicated as such – is most often an officer-led agenda, couched as a range of technical interventions that focus on how to make existing services work more effectively.

If the agenda is to be more transformative – beginning to change citizen-state relationships in a broader sense – we must 'bring the politics back in', and ensure that demand management is owned by council leaders, portfolio holders and ward councillors. This requires some creative thinking about language, communication and engagement in order to create what one senior executive called a 'quantum leap' in the way the agenda is developed.

> We don't talk to our community about demographic change, we talk to them about helping their neighbours"
> County Council Chief Executive

Some councils are finding their own language and strategies to express and address deeper questions about the role of the state, for example talking about building community resilience, neighbourlines, or stronger, more active communities.

2 Building insight into behaviour and the root causes of demand

Effective demand management starts with deep insight, often generated by a willingness to look beyond traditional interactions with citizens and understand the real drivers of demand within communities. Finding the right local methods for doing this should be a priority for public leaders.

Public agencies need to know more about their communities

Too often public agencies understand and respond to citizens through the perspective of the services they already provide. This perpetuates a focus that is too narrow – seeing only need, instead of resource and assets; seeing the symptom but not the underlying cause; assuming that a pre-existing service is the answer; and missing out the energy and insight the community could bring to solving collective problems. We heard that when practitioners have attempted to look beyond services to really understand demand, innovative approaches have emerged that do not necessarily require expensive interventions.

> There is a piece about unlocking what the community can do, that we haven't really got to yet…"
> Senior social services professional, North East England

Deep insight of this kind can sometimes produce surprisingly simple solutions. In Oldham one key worker realised that a long-standing truancy problem in one family could be tackled if the mother was encouraged to walk her children to school. In Sunderland, one senior official told us that truancy in one particular neighbourhood had been reduced after ward councillors realised that having the 'wrong shoes' was part of the reason

for children skipping school.

The RSA's Connected Communities research has uncovered similar insights – finding that, in one south London community, the hub of the community and its most trusted resident was the pub and its landlord.[31] Lambeth council is using these informal 'community connectors' to provide financial advice to residents who prefer not to access formal advice from institutions such as banks. Using this insight creatively – some examples of which will be discussed below – is a core part of effective demand management.

Get beyond the services – think about a range of resources

The corollary of better insight is the responsibility to use it more creatively and effectively. We heard about local leaders seeking to manage demand through working 'beyond the services', addressing quality of life, 'cost of living' and 'social economy' issues, for example through using the social and economic clout of the public sector to bargain on behalf of citizens.

In Tower Hamlets, this has meant unpicking the relationship between payday lenders, housing providers and citizens in transition from homelessness to housing. In parts of Manchester, this has meant acting with the private sector on energy bargaining and fuel poverty issues. Mobilising the full range of resources also means finding social network-based solutions to problems that have been traditionally seen as professional or clinical.

Data is useless without the means to analyse it

Many of the officials and politicians we interviewed during this research readily admitted to the need to generate deeper insight into social norms and networks, but few were certain about the appropriate mechanisms to do this. This is partly a question of finding ways to bring together what are, for many local authorities, a fragmented and service-specific evidence base and data sets. We heard about the need for 'intelligence' or 'insight' hubs that would create unified datasets – or at least the means to more easily navigate them – that could be shared across departments and even partners to enable more integrated service commissioning and

31   http://www.thersa.org/action-research-centre/community-and-public-services/connected-communities

accountability.

There are, however, limits to this approach. Technology is not a panacea, and often the most valuable insight about communities lies outside of the purview of the data local public services usually collect. This is where qualitative techniques such as social network analysis and ethnographic research can be so valuable.

3 Changing Behaviour

Behaviour change is an essential component of demand management. 'Nudge' strategies alone can generate behaviour change, leading to better outcomes and saving money, but alone they will not effect the type of system change we believe may be necessary in the longer term. Effective strategies will combine 'nudge' strategies from local public services with a nuanced understanding of networks and incentives. The following themes are key:

Use 'nudge' today…

We need to get better at playing behavioural insight into the way public services are designed and delivered. As described earlier, several interviewees noted that their local authorities – such as Calderdale and Kirklees – were using insights generated by the Cabinet Office 'Nudge Unit' in the design of letters, emails and communication material. Our research suggests that in areas such as recycling and waste management (including reducing fly tipping), a combination of 'carrot and stick' approaches including 'nudge' techniques can help the public to think differently about a particular issue, and begin changing their response. There is potential here for 'quick wins' and immediate savings.

One senior interviewee felt that building individual responsibility was a key element of this, arguing that government has fostered reliance on 'the system' at the expense of individual responsibility.

'We have educated people to believe in 'public service systems', but managing future demand will require a different approach'
Senior Conservative adviser

…But long term change requires 'nudge' and networks…

Our research suggests that effective behaviour change will cover a cycle of interventions, ranging from immediate and short-term 'nudges', to incorporating bounded cognitive frameworks and network effects into the long term planning and design of public service interventions.

It was suggested to us that policymakers should look to the diffusion of cultural practice to understand how new ideas and trends are picked up and reproduced at a local level, learning from recent U.S. studies by Cass Sunstein,[32] Sasha Issenberg and others, as well as clear examples of behaviour change and demand management in the private sector.

What is clear is that to be transformative, behaviour change strategies must be underpinned by high levels of trust between citizens and public services. Research has shown that levels of trust in local authorities are reasonably high, increasing from 52 percent to 65 percent from 2001 to 2012,[33] providing a good platform on which to build. In the context of austerity, the LGA's 'Building Trust' project, launched in 2013, seeks to support councils to take a more nuanced approach designed to ensure that communities retain confidence in councils as financial resources reduce. The LGA argues that it will be increasingly important for people to work with councils in order to achieve local outcomes, and that "trust will be the oxygen of this increased cooperation".[34]

Recent Ipsos MORI findings suggest that "Eight in 10 (79 percent) say they trust their local council to make the important decisions, compared to just one in 10 (11 percent) who trust (central) government to. Eight percent do not trust either"[35]

32   Simpler: the future of government, Cass Sunstein, 2013
33   Citizenship Survey (2001-2011) c.10,000 GB adults 18+ each year. Community Life Survey (2012) c.2,500 GB adults 18+
34   www.local.gov.uk/documents/10180/11709/Building+Trust+Action+Plan+Final+Summary +9+Oct+2013.pdf/c4002910-a587-4bbb-b6cd-f132b430ecbc
35   http://www.ipsos-mori.com/researchpublications/researcharchive/3123/Public-concerned-about-cuts-to-council-services-but-councils-arent-necessarily-to-blame.aspx

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4 Changing the system

Think whole system, whole place

Managing future demand will be about scaling up isolated, service-based practice and embedding a culture shift throughout public service organisations. The biggest potential gains are to be found when public managers are able to look across a whole place (ie a borough or city) and understand the relationships between public service reform as a whole (across local government, NHS, police and other sectors), and the diverse economic needs and resources of a place. Systems thinking – understanding the interplay of different parts of a whole system – can be a useful tool to do this, with a view to redesigning elements of how the system works.

Work collaboratively across agencies and sectors

We believe that the default assumption for local authorities (and indeed across local public services) should be towards outcome-focused collaboration between local agencies and actors. The relationship between local authorities, NHS, police and housing services needs to be more fluid. The voluntary and community sector and the state need to create better forums for sharing insight and jointly building platforms for commissioning services. The private sector needs to do more to align its incentives with the needs and values of place.

This is easier said than done. Interviewees told us that financial and managerial incentives work in the opposite direction, and that in the context of austerity, we are more likely to see a shifting of demand towards other agencies or 'downstream' towards acute interventions, rather than concerted collaboration to manage demand at an early stage.

How to address this problem is one of the biggest issues in local government. Outcome-based commissioning, payment by results, Connected Care and Community Budget-type integrated funding approaches can help. But the biggest challenge is cultural, and

interviewees were near-unanimous that we need a better evidence base to drive more integrated and collaborative policy and practice.

> 'The more complex the service, the more difficult it is to contract. But we pit competition and collaboration against each other…'

> 'We need a different type of leadership – more open, honest and realistic. Resource allocation is political, there are no easy answers…'
> Contributions to a Collaborate, RSA and ESRC roundtable, November 2013

5 Creating shared value

Think about the role of the private sector

Enabling communities to become more resilient requires public agencies to think about the contribution that can be made by the private sector and the ways companies can work in partnership with local authorities, not just as service deliverers, but also as corporate citizens. The resilience of communities is hugely affected by issues such as the living wage, skills and employment support, responsible employment practices and financial resilience. Councils need to think about ways they can open a wider dialogue about social responsibility, shared value and inclusive growth.

Demand management and growth – two sides of the same coin

It is axiomatic that the most effective way of managing demand for many services is for people to be in productive and rewarding work which pays a liveable wage. Many of the councils we spoke to argued that generating employment must be at the heart of their demand management strategies – again, looking beyond the traditional service lens towards what will help build productive, resilient communities.

For local public services to begin making inroads into the huge

social and economic demands ahead, it is vital that agendas for growth and public service reform are recognized as interrelated. The following themes are key:

Support productive communities through market shaping and procurement

The future sustainability of our localities will depend upon the extent to which communities can become more economically and socially productive – and how effective public agencies are in supporting this. This is likely to require a range of interventions, possibly including:

× prioritising the creation of community-based enterprise and SMEs

× encouraging the development of new social markets in areas such as social care and education services

× asking what the public sector can do to kick-start or incubate the development of local business from back-office support through to front-line delivery

The same ethos needs to be embedded in commissioning and procurement processes, where creative design of commissioning processes can boost local supply chains and work with employers to ensure that local jobs are financially and socially rewarding.

> 'You need toolkits to improve commissioning… there is no silver bullet. The (procurement) profession hasn't caught up with the new narrative…'
> Procurement professional, North West England

Thinking about Social Value can also help embed a more holistic approach. The Public Services (Social Value) Act places new duties on public procurement that can reinforce demand management approaches. A good example is Oldham's Social Value Procurement Framework,[36] which includes demand management as a possible criterion for inclusion in contracts, while also driving procurement towards other key outcomes about building productive and resilient communities.

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36   http://committees.oldham.gov.uk/documents/s36856/Appendix%201%20-%20Social%20
Value%20Procurement%20Framework.doc.pdf

6 Building community resilience

Involve communities in creating solutions to local problems and service redesign

Communities often hold solutions to problems faced by public services, but are not always given the opportunity to be part of the answer. Examples outlined in this report ranging from parents helping to re-shape transport for young people with special educational needs, through to working with older people and their families to help avoid older people entering residential care, demonstrate the hidden resource that communities offer.

The shift towards a new relationship between citizens and the state requires public service organisations to engage in a new way with residents and service users, working together to understand the perspectives of each and create new, more effective and less costly solutions. Councils such as Lambeth are redesigning the way the organisation works in order to put co-production of the whole commissioning process with residents and service users at the heart of their operating model.[37]

7 Creating the tools for change

'We can use predictive tools to understand the changes that will take place in our community and predict the cohorts that will cost us the most'
County Council Chief Executive

Many of those we spoke to commented on the need for new tools, techniques and skills that are needed to support a focus on demand management. These include predictive tools to understand demographic changes, and financial modeling tools that enable councils to understand,

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37 See *Towards a Social Value Commissioning Framework: lessons from Lambeth*, for details, published by Collaborate and the Transition Institute, http://www.collaboratei.com/media/4098/Social%20Value%20A%20Commissioning%20Framework%20Report.pdf

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predict and measure the scale of cost avoided through demand management interventions. These are important tools for effective commissioning. However, they are not things that councils are traditionally familiar with doing, and some councils have set up new 'infomatics' and financial modeling teams, bringing in new people and skills. Organisations such as the Early Intervention Foundation are supporting councils with some of this work and are sharing good practice, but we think this is likely to be an important area of further development.

Conclusion

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Creating a 'shallow end' of policy and practice

In this report we have explored a number of building blocks for what we envisage as a strategy for demand management in public services in the future. Our research has found that a small number of councils are leading the way in making demand management a core tenet of their vision for the future. We also found that many councils are cognisant of demand management and (at an executive level) speak the language of transformation, relational services, prevention and collaborative working. However, for many this is a long way from becoming a reality, and we hope that some of the techniques and examples outlined in this report will help create a 'shallow end' to help councils think about this agenda and how they can make a quick difference.

We also hope that in this report we have illustrated 'proof of concept', with varied examples of different ways that councils and others are approaching demand management and early evidence of its effectiveness. We hope that this report can at least contribute to the 'argument' stage of this process.

Further research

It is important to acknowledge that while the implications of demand management may be profound, it remains a nascent agenda, and therefore more work is needed to understand the changes that will be required to realise it. Firstly, we think that ongoing work will be needed to continue to build the evidence base as projects mature, particularly in relation to the financial case, and also to enable public service bodies to learn from each other's examples.

We also think that there is a particular challenge related to creating financial and investment models to enable commissioners to invest in a range of demand management strategies, particularly early intervention, with confidence that this makes sense in the context of austerity. A small number of councils are working together through the Early Intervention Foundation to build new models, but we think it likely that more work is

needed in this area. The implications for the skills needed within local authorities, including financial modelling, and the changing roles of local authority accountants and heads of finance also need to be considered.

New relationships between citizens and the state: demand management in the future

'This is really the way the public services should be done'
Leader of a London Borough

This research was originally undertaken because the supporting organisations felt that 'demand management' is an emerging area of thinking and practice in local public services which, in the context of austerity, warranted research which would bring some clarity to the concept and help organisations think through their own approaches to managing demand.

Through the course of the research it has become clear that, while the 'emerging science' is important, demand management is in fact part of a much wider debate about the future of public services and the state. It is possible that now is the time for a fundamental re-think about what public services are there to do, the role of the state and our responsibilities as citizens. Indeed many on the left as well as the right are arguing that a culture of dependency is in no one's best interests.

Smaller scale demand management interventions that use a range of techniques and insights within specific service areas – building insight into the needs of users, communications campaigns, 'nudge' and behaviour change techniques – are already operating within local government. However, we mostly found that such projects were small scale, isolated examples within the wider public service architecture of an area or an authority.

A small number of local authorities are beginning to think about demand management in the context of a coherent strategy for public service reform within a place, taking into account the role of the community in helping to achieve better outcomes. They believe that for

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demand management interventions to be effective, they should be part of a wider, overarching strategy for local public services, based on a new set of principles and agreements about the role of public services and the aims of public investment which local partners and local people can be encouraged to engage with.

Taken together, these strategies are designed to do more than simply manage demand; they are really about understanding the causes of demand, how it can be prevented, and new and innovative ways in which the needs of individuals and communities can be met. The bigger questions about public service reform that they raise should almost certainly be part of a wider, national public debate, but this is not purely about the theoretical or ideological: we must also learn from real progress in creating a new account of public services and the role of citizens already being made in towns, cities and counties up and down the country.

www.thersa.org

⊕ Hackney

Governance and Resources Scrutiny Commission	Item No
16th March 2015	**6**
Welfare Reform Update	

Outline

The purpose of the presentation is to outline the impact so far on Hackney residents of the welfare reform changes implemented.

Action

The Commission is requested to note the presentation and ask questions.
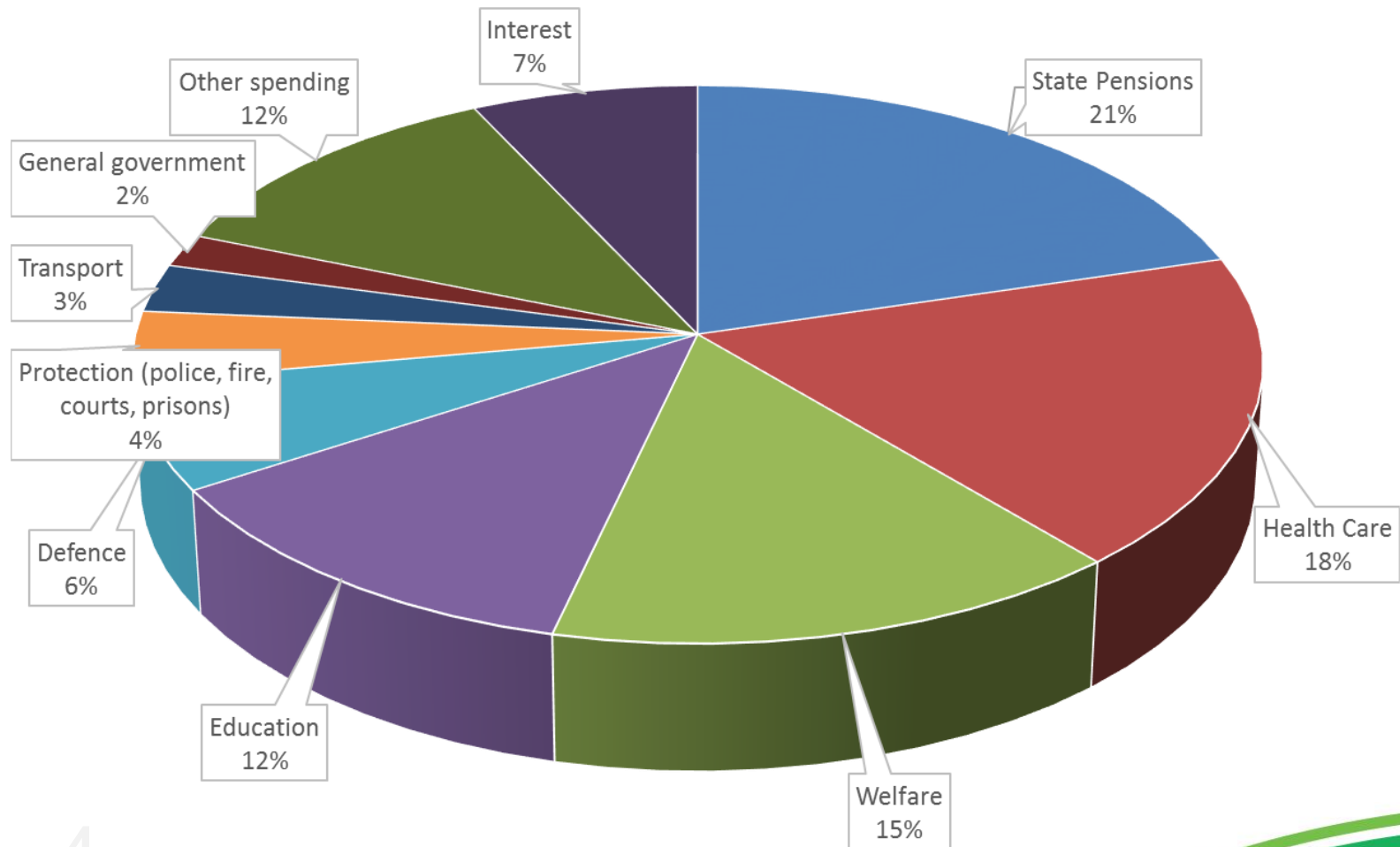
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Welfare Reform Update

The impact so far on Hackney residents

Ian Williams
Corporate Director of Finance & Resources
Governance And Resources
16 March 2015

Breakdown of Government Spending 2015

State Pensions 21%

Health Care 18%

Welfare 15%

Education 12%

Defence 6%

Protection (police, fire, courts, prisons) 4%

Transport 3%

General government 2%

Other spending 12%

Interest 7%

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4

- Total UK spend £731.4Bn

- Welfare Spend £109.8Bn

Hackney

How much does the UK spend on Welfare compared to other countries

Percentage of GDP spent on Welfare Across Developed World.

Page 147
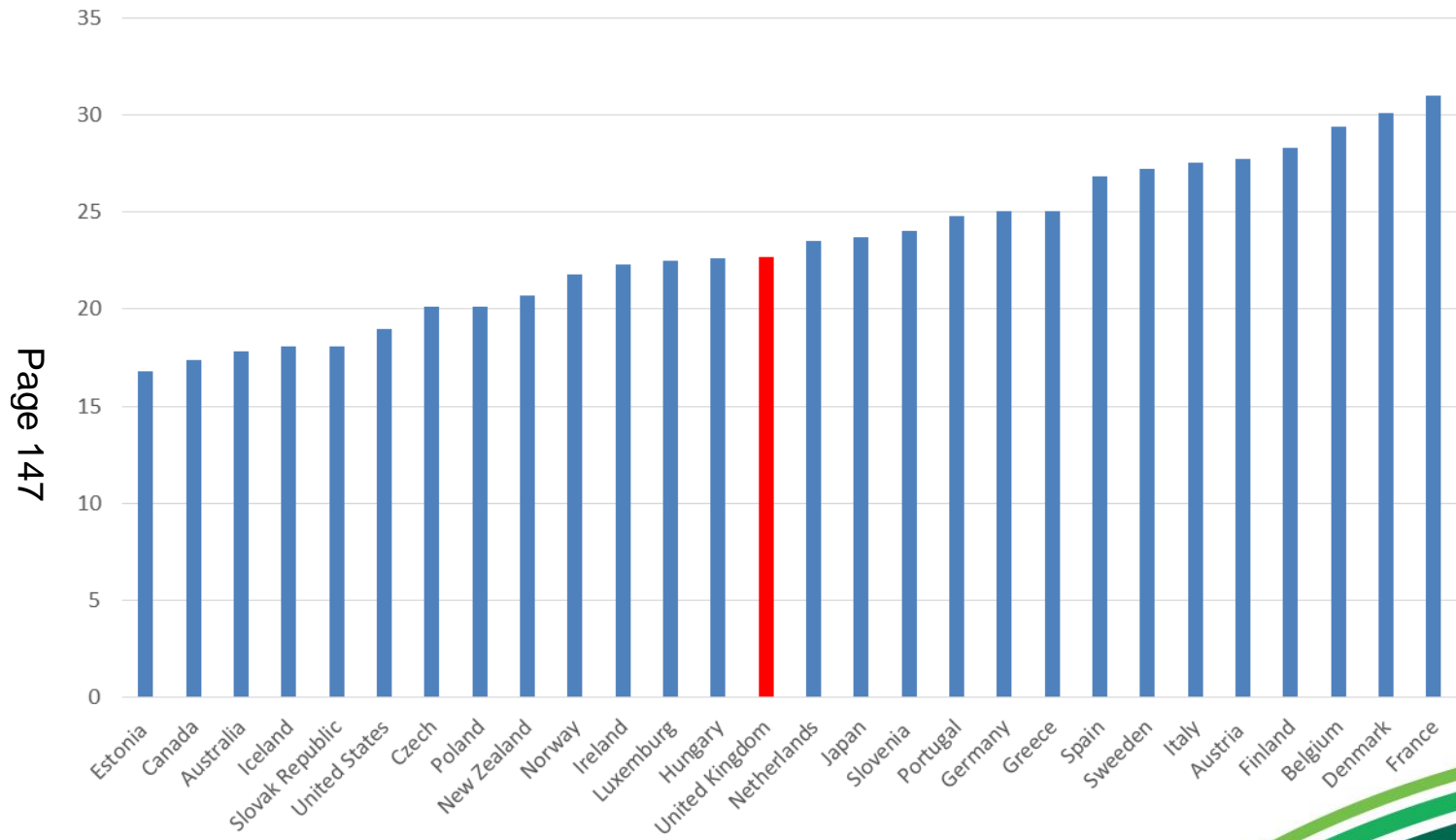
Data from OECD Social Expenditure database and Eurostat. Welfare refers to unemployment/disability/housing related benefits.

The Government's objectives for the reforms as originally set out in 2010:

promote work and personal responsibility

simplify the system to make work pay;

reduce welfare dependency ; and

41%

reduce the cost of welfare (working-age welfare budget has increased 41% in real terms over last decade –to £109.8 billion in 2015)

⊖ Hackney

What are the drivers of Increased Welfare Spend?

The main driver of increasing Welfare Spend in the UK is the cost of Housing Benefit which has risen substantially during the last decade.

Total Real Expenditure on Housing Benefit 1986-2013
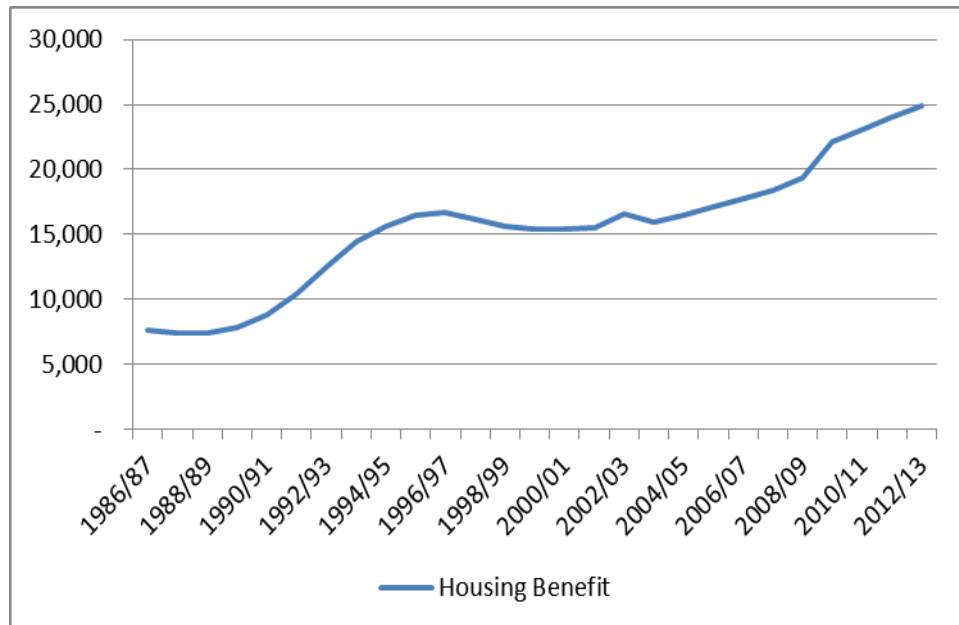
Spending on Housing Benefit has increased in real terms by 50% during the last decade.

Types of Welfare changes affecting residents.

Benefit Cap

Local housing Allowance (LHA) claimants in Private Rental Sector

Under-occupiers in Socially Rented Sector

Council Tax Benefit changes

Lone parents on income support with children aged 5-7

Incapacity benefit reassessments

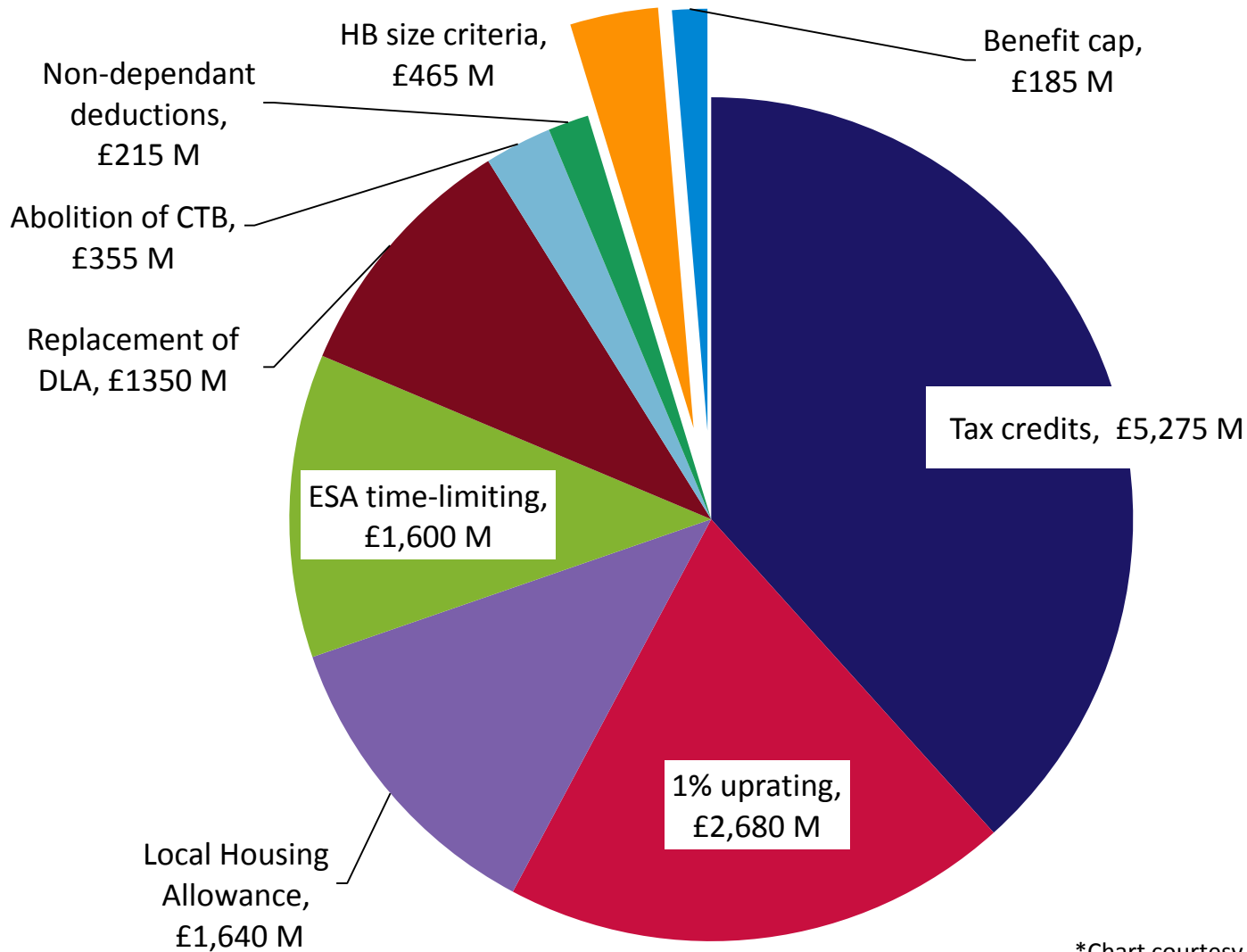Disability Living Allowance to Personal Independence payment

Shared Accommodation Rate Changes

Increases in Non-Dependant Deductions

…Still to come: Universal Credit

Hackney

Estimated Welfare Reform Savings 2015/16

- Benefit cap, £185 M
- HB size criteria, £465 M
- Non-dependant deductions, £215 M
- Abolition of CTB, £355 M
- Replacement of DLA, £1350 M
- ESA time-limiting, £1,600 M
- Local Housing Allowance, £1,640 M
- 1% uprating, £2,680 M
- Tax credits, £5,275 M

*Chart courtesy of Centre for Economic & Social Inclusion

Welfare Reform Impact 2015/16

Average loss in London for those in receipt of benefits = **£1,965** per household per year

Families are responding in three ways

- Cutting back
- Borrowing
- Not paying bills

But normal coping techniques are under pressure!

So will families find work or move?

Many want to work but some are a long way from work
Most don't want to move out of London

Hackney

Is moving into Employment the whole answer?

According to the Government, when a person moves into a living wage job, (compared to being on minimum wage or benefits) then on average:

- ➢ **£13,100 Beneficial Impact to local economy.**
- ➢ **£6,900 Savings for Central Government**
- ➢ **£6,500 Gain to individual**

For every £1 of direct (cashable) savings:

- ➢ **80p Goes to Central Government**
- ➢ **13p Goes to the Police, NHA, and Housing Providers**
- ➢ **7p Goes to Local Government**

But reforms are hitting those in low paid work who are now also struggling to find housing solutions!

Data courtesy of Centre for Economic & Social Inclusion

Local Housing Allowance Reform

Percentage of Private lettings in Hackney let at LHA rates or below in the last year
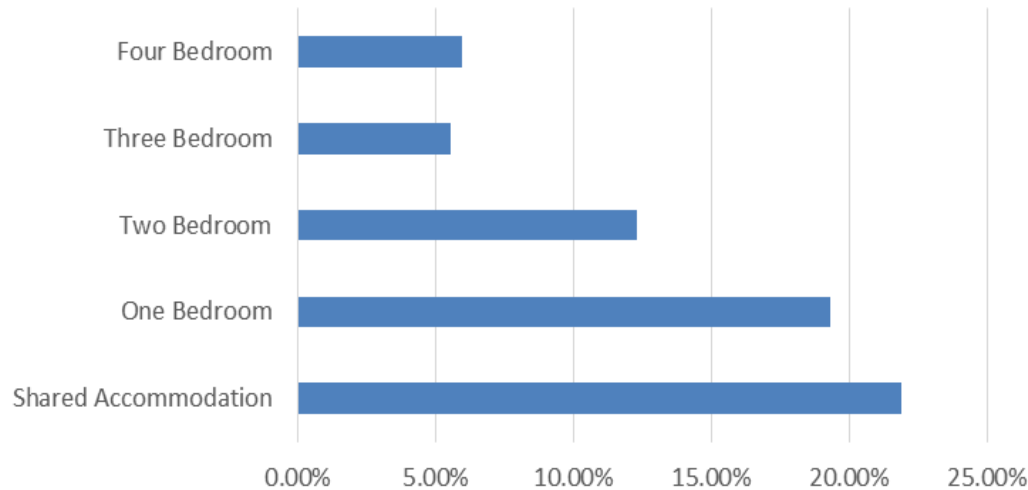
- LHA rates have been restricted at a time of significant rent increases.

- LHA rates for private rental no longer reflect market rents.

- The private rented sector in Hackney is no longer a sustainable option for some families in low paid work

- Latest data estimates that only just over 5% of new 3 & 4 bed lettings in borough are at LHA rates.

Hackney

Under Occupancy in the Social Sector

**As of April 2013: 4255 households affected in Hackney** –

- 1,956 with Hackney Homes
(1417 restricted by 14%, and 539 restricted by 25%)
- 2,299 with Registered Providers (RSL's)
(1508 restricted by 14% and 791 restricted by 25%)

At the end of January 2015: 3190 households were affected in Hackney

- 1,515 with Hackney Homes
(1176 restricted by 14%, and 339 restricted by 25%
- 1,675 with Registered Providers (RSL's).
(1325 restricted by 14%, and 350 restricted by 25%)
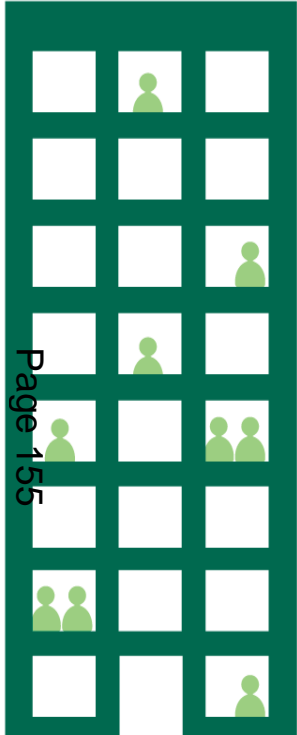
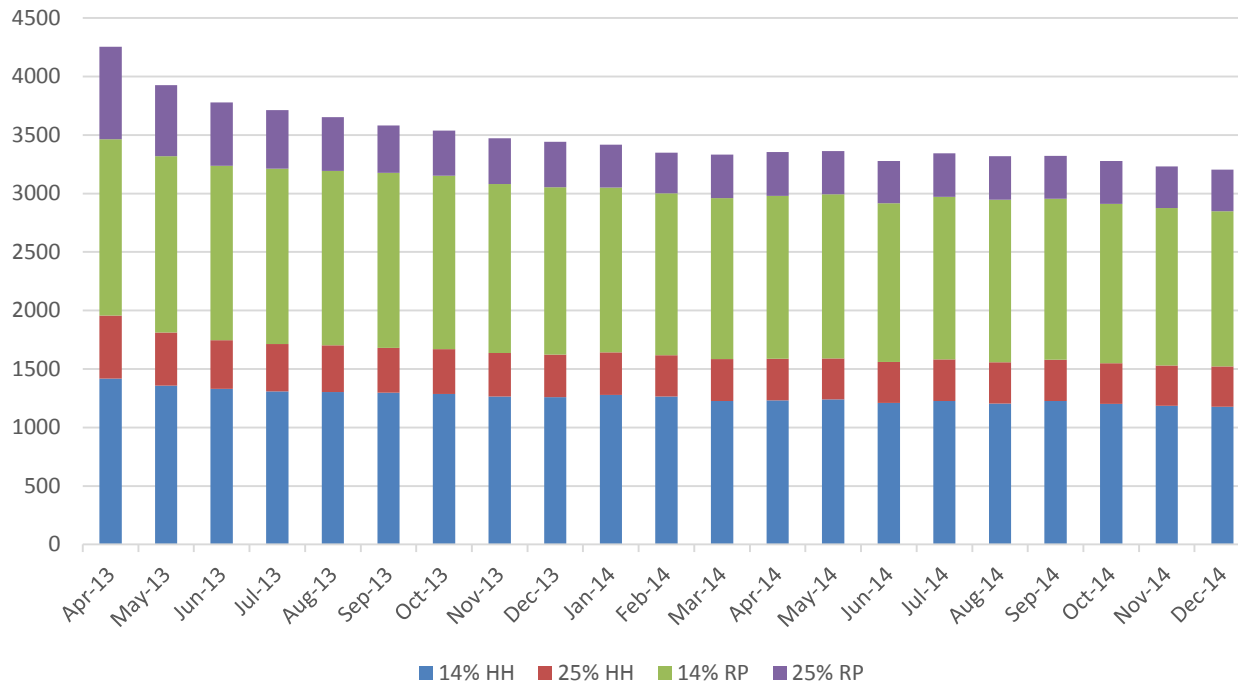**⊖ Hackney**

Financial Impact of the change on tenants.
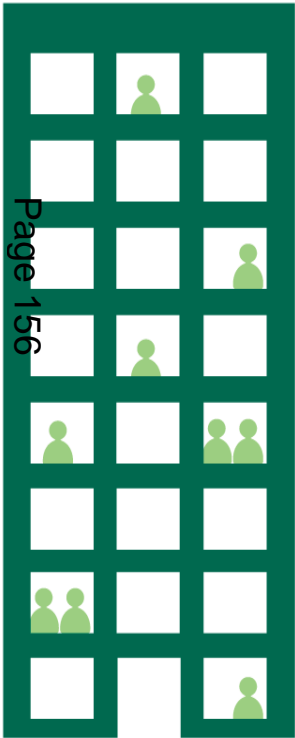
- Tenants affected by Under Occupancy in Hackney as of 31 December 2014, faced an average weekly loss of **£25.08** per week.

- For Hackney Homes tenants the average loss was **£22.59** per week.

- For Registered Social Landlord tenants the average loss was **£27.33** per week

Under Occupancy in the Social Sector - Impact

Numbers affected by Under Occupancy in Hackney

Social Sector Size Criteria

- Despite intensive work numbers affected have remained high.

- Housing Needs and Hackney Homes are working closely with those affected to support tenants who wish to downsize, but there is little stock available.

- Between April 14 and December 14, 34 tenants affected have been found smaller accommodation.

- 14 households with a 25% shortfall, and 20 households with a 14% shortfall have downsized.

- Most tenants wish to remain in their current homes, and are attempting to pay the shortfall from existing benefits.

- But many are not paying the shortfall in full.
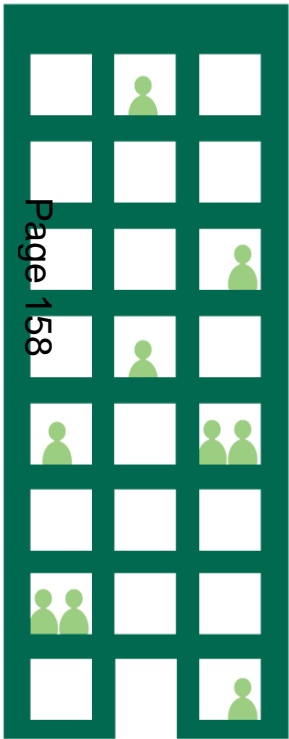
Hackney

Social Sector Size Criteria

- 50.2% of Hackney Homes tenants affected by SSSC are in rent arrears. These arrears amount to over £500'000.

- SSSC tenants now account for 11% of HH total arrears.

- The proportion of SSSC tenants in rent arrears has risen. It went over 50% on the 4th January 2015

- But the average rent arrears owed by tenants affected by SSSC has fallen from £751 to £683.

- Between April 2014 and Dec 2014 alone the Council has spent £413,614.52 on DHP for these tenants.

- This level of DHP spend is not sustainable. As DHP spend reduces next year, arrears may increase.

Hackney

Council Tax Reduction

Under Hackneys Council Tax Reduction Scheme, all working age claimants now:

- Have to pay at least 15% of their Council Tax
- Are no longer be eligible for Second Adult Rebate

As Hackney's scheme matures it will be necessary to continually review to identify unintended consequences.

How much do individuals on maximum CTRS have to pay towards their Council Tax?

Council Tax Band	Weekly Liability	Weekly CTax Payment	Weekly Liability (Qualifies for SPD)	Weekly Ctax Payment (Qualifies for SPD)
A	£16.59	**£2.49**	£12.44	**£1.87**
B	£19.35	**£2.90**	£14.51	**£2.18**
C	£22.12	**£3.32**	£16.59	**£2.49**
D	£24.88	**£3.73**	£18.66	**£2.80**
E	£30.41	**£4.56**	£22.81	**£3.42**
F	£35.94	**£5.39**	£26.96	**£4.04**
G	£41.47	**£6.22**	£31.10	**£4.67**
H	£49.77	**£7.46**	£37.34	**£5.60**

These are the payments for someone on maximum CTRS, such as a person in receipt of Income Support or Job Seekers Allowance.

Hackney

Are claimants paying shortfalls caused by Council Tax Reduction?

As of the 31st of January 2015

- **31,266** working age individuals were in receipt of Council Tax Reduction in Hackney, and therefore required to pay at least 15% of their CTax.

- **63% of residents with the 15% restriction are up to date with their Ctax**

- By 31.01.2015, 74.8% of the full years Council Tax has been collected from working age individuals receiving Council Tax Reduction.

- This compares with 80.7% collection rate, by 31.01.2015 from all residents.

Hackney

Council Tax Reduction – What are other boroughs doing?

Some boroughs will change their schemes in April, to be less generous.

Wandsworth: **Currently in 2014/15**
- Backdating of Ctax limited to 3 months
- Second adult rebate abolished.
- Limits on situations where claims can be paid on a nil income.
- A minimum income for self employed claims.

Wandsworth are further proposing in 2015/16:
- Increasing the taper at which support is reduced from 20% to 25%;
- Apply a minimum award – No awards under £3 per week;
- Having a fixed non-dependant deduction of £7.25 pw– regardless of income;
- Claims in properties band F-H to be capped at the value of band E.

These proposals are estimated to generate an extra
£671k savings in 15/16 and will affect up to 6000 claimants.

Hackney

Council Tax Reduction – What are other boroughs doing?

Waltham Forest

Currently in 2014/15 everyone under pension age who is liable to pay Council Tax has to pay at least 15% of their Council Tax bill in the financial year 2014/2015.

Waltham Forest have proposed:

- All working age claimants will have to pay at least 16% of liability in 2015-16, and 24% of liability in 16-17.
- Non dependant deductions to increase 25%
- The taper at which support is reduced will increase from 20% to 25%;
- Maximum capital limit cut to £6,000.

The changes will generate additional savings of **£989'451 in 15/16**, increasing to **£2'422'129 in 16/17**.

It will affect 16'000 working age claimants who on average will lose a further £61 in 15/16, increasing to £151.38 in 16/17

Hackney

Total Benefit Cap

The amount of benefits households can get are capped at £500 for families and lone parents, and £350 for single people.

This applies to working age households that do not qualify for working tax credit.

Some exemptions for the disabled.

In Hackney around 420 households are currently affected

Hackney

Total Benefits Cap

Since introduction 1031 households have been affected by the CAP in borough.

All have been interviewed and offered support by the Benefit Cap Taskforce.

Support includes:

- Dedicated employment support and training, including over 323 referrals to the Councils Ways into Work team.
- Money management, debt and budgeting advice,
- Referrals to Hackney Money Smart
- Housing Advice where appropriate.
- Help with DHP to provide time to resolve their situation.

Total Benefits Cap

Out of 1031 households affected, 420 households are currently capped.

611 households have come off the cap. The reasons for the cap ending include:

- 207 households have moved into work of enough hours to receive WTAX credit
- 163 households have had a change in income or household makeup.
- 101 households have moved to cheaper accommodation in Hackney (Mainly Social Housing)
- 59 households have been awarded an exempting benefit (PIP/ DLA)
- 58 households have moved out of Hackney
- 7 households have moved to supported accommodation
- 4 households have arranged a rent decrease with the landlord

- 12 cases are currently under review, where benefit has ceased but may recommence.

Total Benefits Cap

Numbers Capped In Hackney month on month
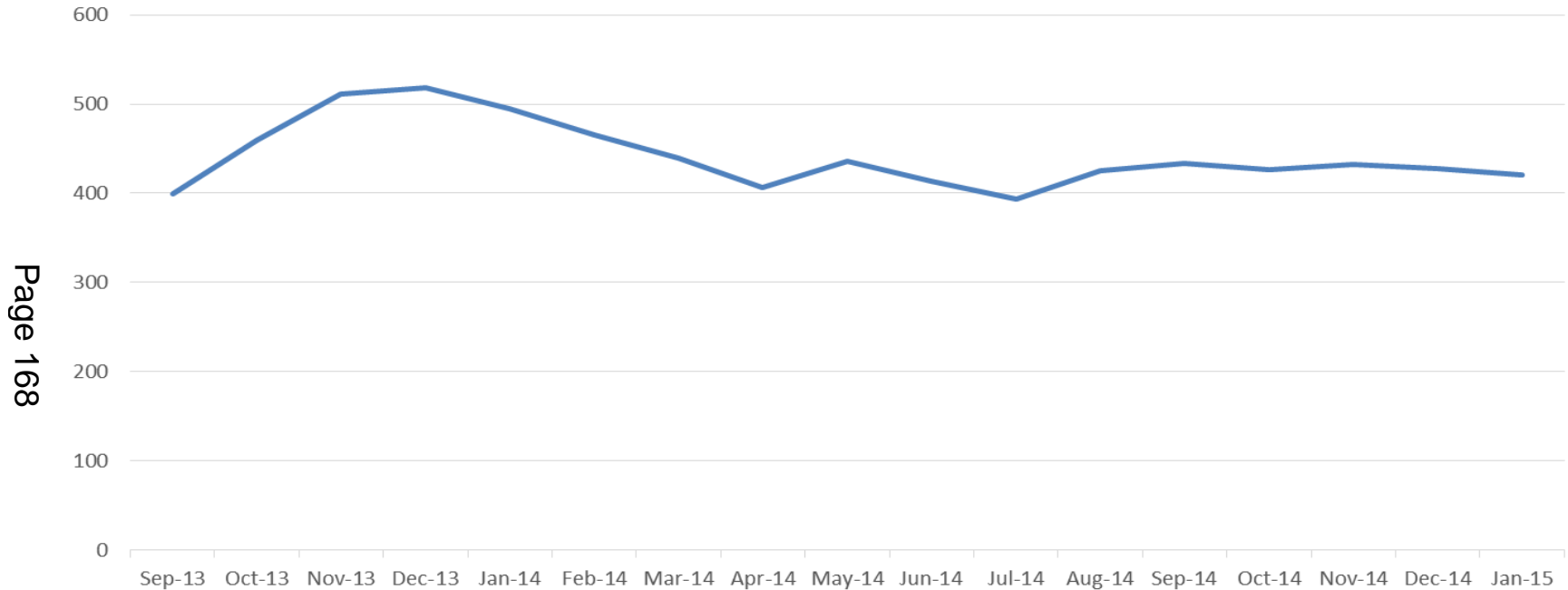
Although there is substantial churn as individuals take action to avoid the cap – overall numbers capped in Hackney month on month remain relatively static.

As households move off the cap, new households become capped for the first time.

Hackney

Size of Shortfall

Size of Shortfall

There has been little change in the size of shortfall faced by those affected.

Total Benefits Cap and TA

- As of the 19th of January 2015, 55 capped households were in Temporary Accommodation.

- These 55 cases have a combined shortfall due to the cap £4,757.88 per week or £247,409.76 per year.

- The Council are currently supporting 35 of these households with a Discretionary Housing Payments worth £3,642.16 per week.

- At the end of 2014, out of 128 households that had been capped in TA, 69 were no longer capped due to finding employment, or moving to cheaper social housing.

- Options for the most difficult cases are increasingly limited.

Total Benefits Cap and TA- Debts

The Councils Money Management officers are working with capped households to help them budget.

Of the 55 cases who are currently capped in TA,
- 27 have no outstanding debts,
- 28 have declared debts

Debt covers various sectors, and mainly relates to essential spending. e.g Relying on store cards to purchase children's clothing.

Of those households who do have debts, only 8.1% relates to rent arrears.

Most individuals ending up homeless in TA were previously paying their rent, or having the shortfalls met via DHP

But when the tenancy agreement ends these tenants cannot source alternative accommodation !!!!

General Pressures on Temporary Accommodation.

Hackney is witnessing a significant increase in the number of households facing homelessness.

There are many drivers for homelessness, these include:

- **Spiralling rent levels in London,**
- **A strong alternative rental market in Hackney with high demand from young professionals.**
- **A shortage of affordable social housing.**
- **Significantly lower returns from Housing Benefit following Welfare Reform compared to local market rents.**
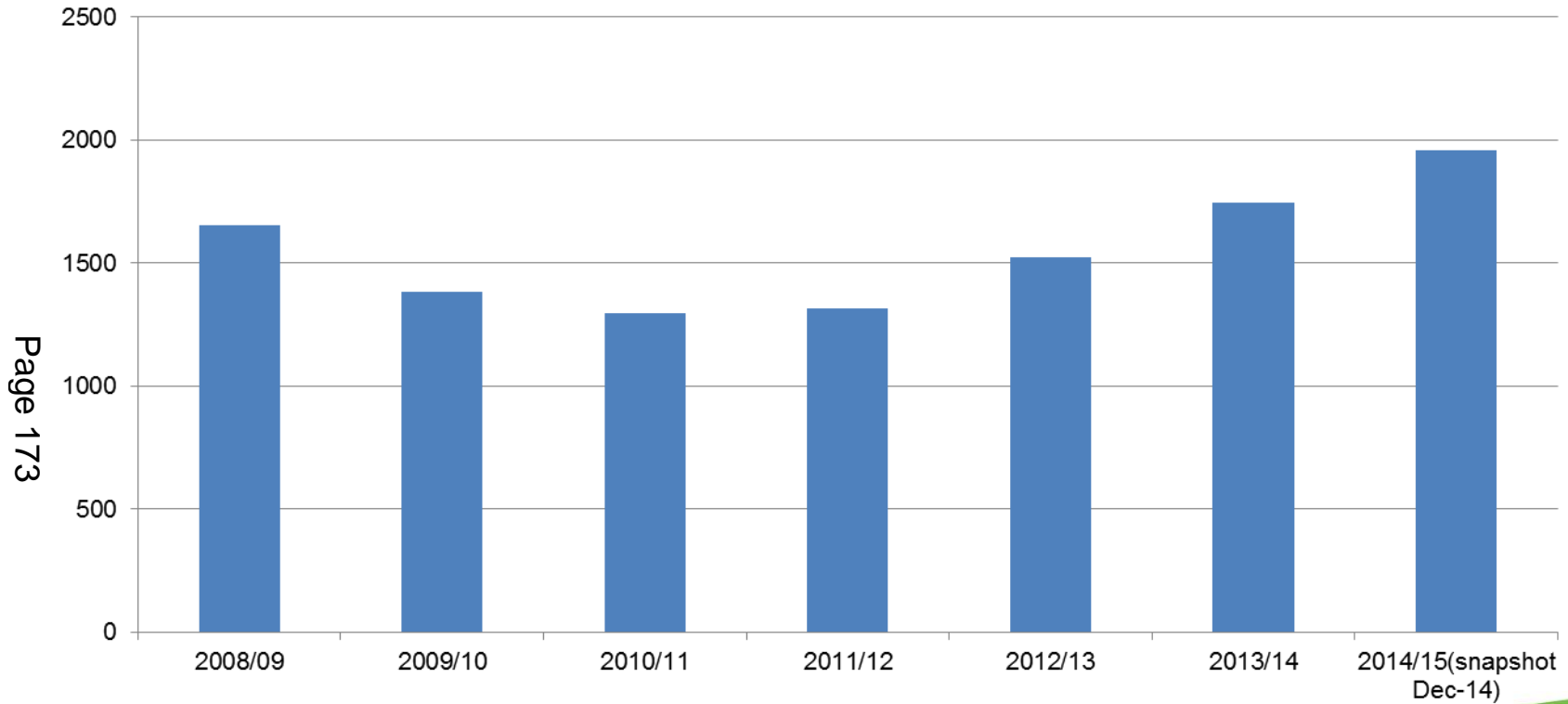
In the year to Sept 2014 the number of households in Temporary Accommodation in London increased by 8%.

The situation was worse in Hackney with a **12% increase** over the same period.

Temporary Accommodation

Total Households in Temporary Accommodation

Pressures on Temporary Accommodation.

Councils have a legal obligation to provide TA to homeless families in priority need.

As homelessness is increasing, supply of properties in London has dried up.

There has been no uplift in subsidy levels for TA since 2011, at a time of increased competition and high market demand.

Landlords have vacated the market recognising the lower returns local authority contracts now offer.

It has become significantly more difficult to obtain leased temporary accommodation at current funding levels.

Temporary solutions like procuring on a nightly let basis are financially unsustainable over the longer term.

Hackney

Universal Credit

JSA (IB), ESA(IR), Income Support, Working Tax Credit, &Housing Benefit will be combined into a single benefit

Payments will be made direct to the claimant including support for rent costs, on a **monthly** basis in arrears

No payments to housing providers

Introduced for new claims from April 2013 in pilot areas

Existing claimants transfer over between 2016 and 2018

Digital by design

Hackney

Universal Credit – What has happened so far?

- UC first trialled for single Jobseekers in 4 areas in the Northwest from April 2013, and expanded to 6 more areas from October 2013

Between June 2014 and December 2014 it was expanded to cover the whole [north west of England](#).

- Universal Credit is to be rolled out nationally across 2015/16, in four phases, but will only apply to new claims from single people, who would otherwise have been eligible for Jobseeker's Allowance.

Universal Credit – What has happened so far?

- The first phase will go live between Feb and April 2015, and comprises 77 local authorities. This includes City of London, Barnet, Brent, Hammersmith & Fulham, Hounslow, Tower Hamlets, and Wandsworth.

- The second phase will go live between May and July 2015, and comprises a further 59 authorities. This includes Barking and Dagenham, Ealing, Enfield, and Waltham Forest.

- There has been no official announcement on further phases, or when Hackney will go live with Universal Credit.

⊕ Hackney

Universal Credit –When will Hackney go live?

- Due to the roll out only applying to new claims from single individuals we expect the impact to be limited, with a loss of less than 1300 HB claims in the first year.

- However once on Universal Credit individuals stay on Universal Credit, even if their circumstances change.

- As roll out progresses the DWP are expecting individual partnership arrangements to develop between local authorities and JCP districts, to provide support to claimants.

- Local authorities are concerned about these local arrangements, and the lack of established Universal Support mechanisms being in place.

Universal Credit – What has happened so far?

- Local authorities are concerned that the funding will be inadequate for the work required, and there will be a potential cost shunt. Hackney are currently involved in informal negotiations with local JCP.

- **There is no legislative requirement for local authorities to provide any support for Universal Credit, beyond closing Housing Benefit claims**

- It is by no means certain whether Local Authorities will sign up to the proposed individual partnership arrangements.

- Hackney are working closely with the "First Tranche" local authorities to ensure concerns about the cost of providing support are listened to

- From the work undertaken so far a meeting has been arranged between Lord Freud and member of the authorities concerned to raise key issues identified.

Hackney

Universal Credit – What has happened so far?

- Although Universal Credit has been live in pathfinder pilots since April 2013, the learning from these sites is limited.

- This is due to the small numbers and restricted composition of individuals, that are receiving the Housing Cost element of UC

- Additionally the existing systems and manual procedures currently in operation in live Universal Credit sites, are due to be replaced with a new digital system

- This new online digital system is being designed and trialled currently, and will be in place prior to mass migration to Universal Credit. It is questionable how transferable any lessons learnt already will be.

- The new UC process will be digital with individuals expected to claim online via a computer, and manage their claim through an online account.

Hackney

Discretionary Housing Payments

Much of the impact of Welfare Reform is being cushioned with DHP
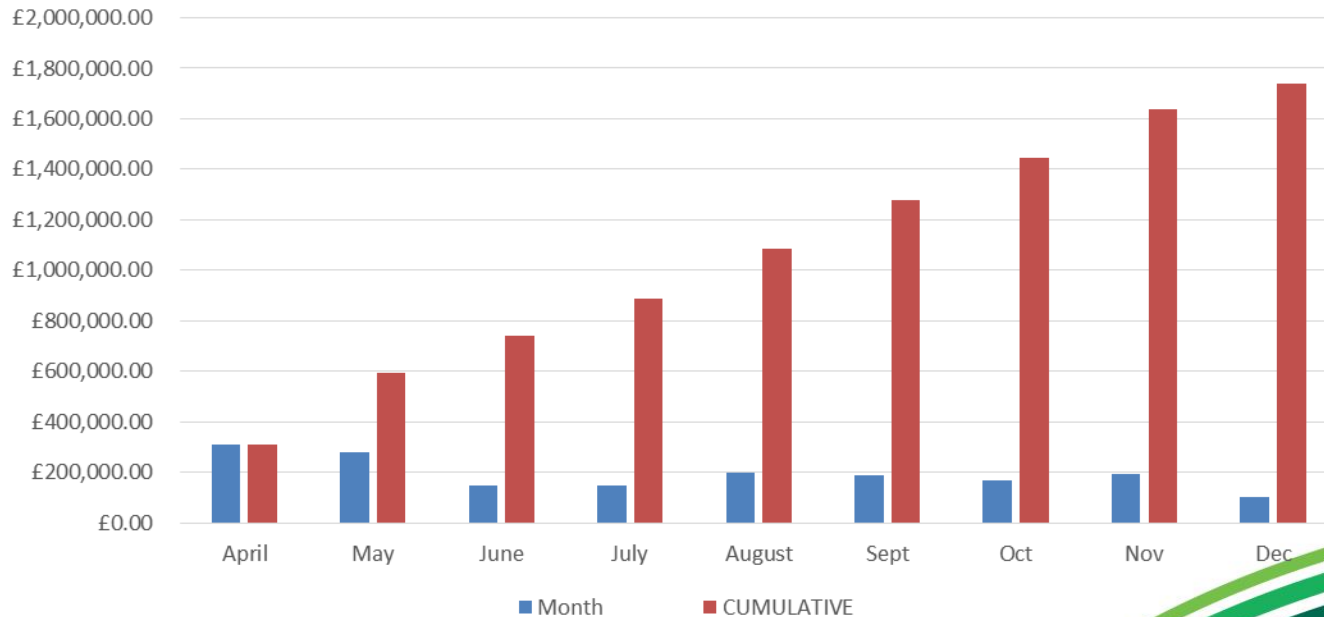
In 14/15 Hackney's DHP budget is £2.1 million.
At the end of December the Council had spent £1,74 million.
The service will manage the budget to ensure full and appropriate spend by the end of the financial year.

DHP spend 2014/15

	April	May	June	July	August	Sept	Oct	Nov	Dec

■ Month   ■ CUMULATIVE

Discretionary Housing Payment

Reason for DHP

Legend:
- Benefit cap
- Spare room subsidy
- LHA reforms
- Combination of reforms
- No reform impact i.e. medical or financial distress
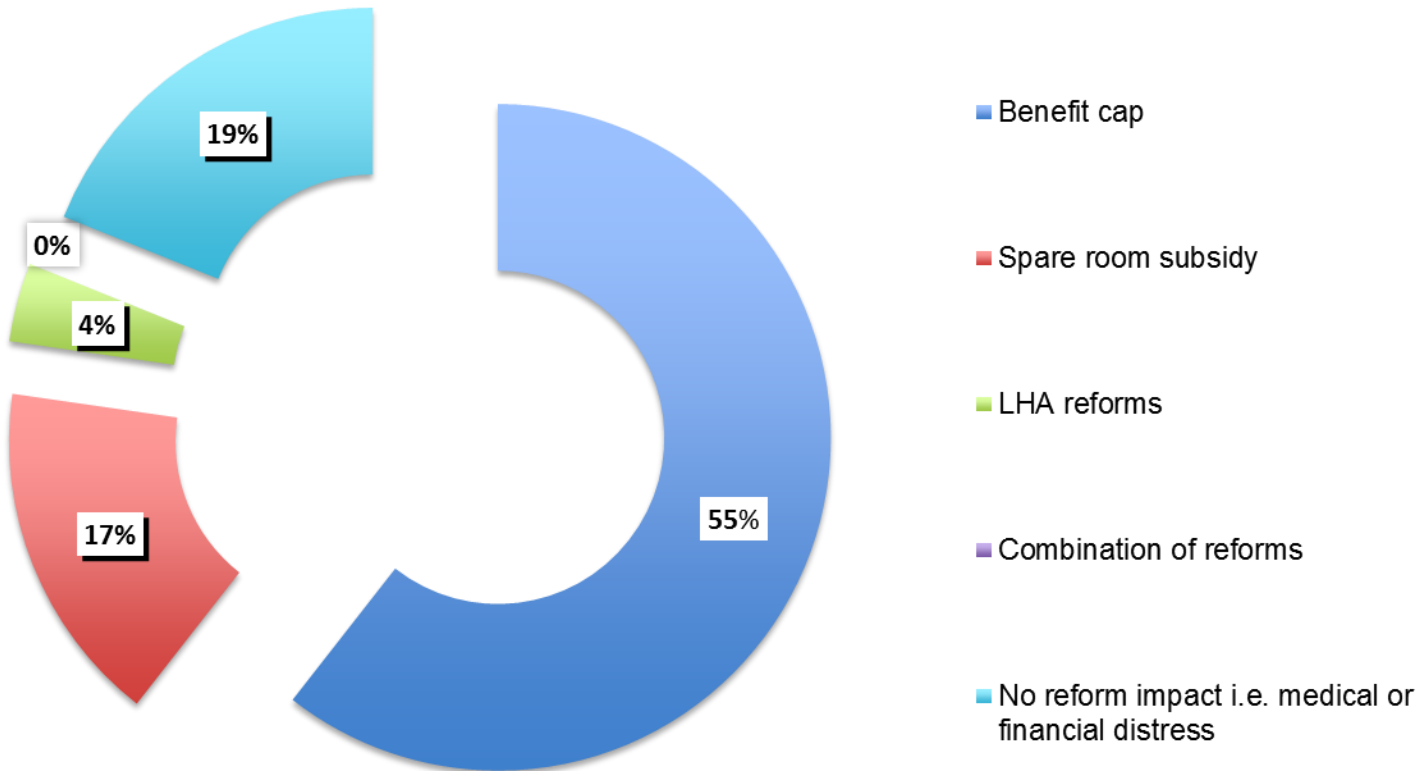
Over half of our DHP budget is being spent on covering Benefit Cap shortfalls. This is unsustainable from April 15 as DHP budgets decrease. Difficult decisions will need to be taken.

⊖Hackney

Discretionary Housing Payments

- The DHP budget for 2014/15 is currently £2,110,605.00. However, on 31st Jan the DWP confirmed that Hackney's DHP allocation for 2015/16 is reduced to £1,507,187.00. This means the boroughs DHP allocation for next year has decreased by over £600,000 or 29%.

- On 3rd Feb the Government announced the finalised Local Government Finance Settlement. Government Headline is £74m additional to Local Government for pressures on local welfare - For Hackney it equates to £780k

- This follows significant lobbying from LAs and third sector - 12,500 responses to Local Government Finance consultation (A record!) only 12 supported abolition of Social Fund money…

- Smoke and Mirrors
  – Funded by £40m cut in DHP and other cuts in CLG DEL
  – Hackney DHP falls from £2.1m in 2014/15 to £1.5m in 2015/16
  – In addition Social Fund has been abolished loss to Hackney £1.6m
  – Net position Hackney down £1.4m [(£1.6m+£0.6m) - £0.8m]

Hackney

Post Settlement – Our Approach

- Social Fund Original Plan (Summer 2014)
  - Pre any consultation outcome where we did not want to declare hand
    - Use known and estimated underspends from existing scheme funding
    - Scheme would have circa £0.8m budget

- Social Fund Latest Proposal (February 2015)
  - Demand continuing to show upward trajectory
  - Utilise underspend and some of additional RSG to have fund of circa £1m

- Discretionary Housing Payment
  - DHP grant reduced by £600k to £1.5m
  - Supplement DHP with circa £0.300m of additional RSG
  - Total DHP fund therefore £1.8m

Hackney

Hackney Foodbank

- Hackney Foodbank provides emergency food parcels to individuals referred from a registered agency.

- These agencies identify and refer people in significant crisis. Referral to a food bank is the last resort, when no other help is available.

- Individuals referred to Hackney food bank are usually facing an immediate, acute financial crisis that had left them with little or no money to feed themselves and their family.

- There are 130 agencies that can identify people and refer them to Hackney Foodbank, which includes the Hackney Discretionary Chris Support Scheme.

- Users are issued with a Foodbank Voucher which provides 3 days emergency food, and individuals can be helped up to three times.

- There are 4 distribution centres across Hackney where individuals can collect food, with a 5th Centre due to open in the spring.

Hackney

Foodbank – October to December 2014

377

Total vouchers fulfilled

475

Total adults fed

238

Total children fed

16%

Percentage of people fed due to DWP benefit changes

39%

Percentage of people fed due to DWP benefit delay and sanctions

7%

Percentage of people fed due to debt

1%

Percentage of people fed due to unemployment

Largest client group is single men of working age

Hackney

Hackney Discretionary Crisis Support Scheme

- The Social Fund which provided discretionary payments to low income households facing sudden unexpected costs, emergencies, or crises was abolished in April 2013

- Instead responsibility for crisis support was devolved to local authorities.

- In response Hackney Council designed the Hackney Discretionary Crisis Support Scheme to help meet urgent financial need not covered by social security benefits.

- This assistance takes the form of one-off payments in emergencies and support for vulnerable people to return to or remain in the community by providing or replacing essential goods.

- It is a last resort for individuals where all other options have been exhausted.

⊕ Hackney

Hackney Discretionary Crisis Support Scheme

During 2014 the HDCSS scheme received 1551 applications, of which 54% were approved and received help.

Of the applications received:

- 64% were for help with Resettlement (white goods, bedding, cooker, fridge)
- 34% were crisis help. (emergency food / help with utilities)
- 1% was other help (E.g. emergency clothing or travel expenses).

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Through the operation of the HDCSS scheme Hackney have identified an absolute need for a local crisis support scheme. The Council predict that demand will continue to grow as the welfare reform programme continues, and Universal Credit rolls out.

Without the resettlement support and essential goods afforded through HDCSS, it would be increasingly difficult to move households on from temporary accommodation, increasing the burden on housing, social care and public health.

⊕ Hackney

Hackney Discretionary Crisis Support Scheme

- Local Crisis Support Schemes were initially funded by Central Government.

- This central funding ceased from April 2015 leaving the cost of running a Crisis Scheme to be met in full by local authorities.

- Following extensive lobbying, the Government has announced that the local government finance settlement for London will now include extra to help Councils respond to local welfare needs.

- Hackney will receive a sum of £780'000 for 2015/16

- This is a substantial reduction on the £1'400'000 received this year. Through careful budget management, the crisis support scheme continues into 2015-16.

Welfare Reform and Fraud

- In the overall Benefit system, it is estimated that £3.4 billion is overpaid due to Fraud and Error

- Of this £1.2 billion is attributed to fraud - where a claimant knowingly claimed benefits when they were not entitled.

- Recently, LA HB Fraud teams and DWP fraud teams have been consolidated into the Single Fraud Investigation Service (SFIS)

- In Hackney
  - Tenancy Fraud Work Circa 500 properties now recovered
  - OFIT scheme
  - NRPF Costing in excess of £1m
  - DWP have set up a new a financial reward scheme to tackle fraud and error – the Fraud and Error Reduction Incentive Scheme (FERIS)

Hackney

What could be on the horizon after the Election?

- The Conservative Party have made the following manifesto commitments around Welfare Reform.

- A majority Conservative government would:

- Remove entitlement to Housing Benefit from 18-21 year olds.

- Reduce the total Benefits Cap from £26'000 to £23'000

- Limit Child Benefit to only the first two children.

There are no significant proposals announced by the other two main parties.

Labour has suggested the concept of a regional benefit cap but no details have been provided.

What could be on the horizon after the Election?

What is the impact of removing HB from young people under 21?
Currently Hackney has:

- 105 Housing Benefit claims from single people under the age of 21
- 84 Housing Benefit claims from couples under the age of 21

Although the numbers are small, this change could potentially have consequences with young individuals forced to remain at home in challenging and difficult housing environments, and lead to increased street homelessness. It could also increase severe overcrowding.

What is the impact of lowering the CAP?
Modelling suggests that reducing the Cap to £23'000 thousand would increase the numbers whose HB is capped in Hackney by more than 1000 households.

It would make the Housing Options for capped families even more restrictive as no 3/4 bed properties in London or the South East would be affordable at LHA rates.

Hackney

What could be on the horizon after the Election?

What is the impact of restricting Child Benefit to the first two children?

According to the 2011 Census there were 6632 households residing in Hackney with 3 or more children.

The loss to these households for each additional child would be £712.40 per annum.

Hackney

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Hackney

Governance and Resources Scrutiny Commission 16th March 2015 **Governance and Resources Scrutiny Commission Work Programme Planning for 2015/16**	Item No **7**

Outline

Attached is the work programme for the Governance and Resources Scrutiny Commission for 2014/15. Please note this is a working document and regularly revised and updated.

The Commission will discuss and suggest possible items for discussion and review topic for the work programme in 2015/16.

Action

The Commission is asked to consider and note any suggestions for the work programme in 2015/16.

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Overview & Scrutiny

Governance and Resources Scrutiny Commission (as at 25 July 2014)

Rolling Work Programme July 2014 – March 2015[1]

All meetings take pace at 7.00 pm in Hackney Town Hall unless stated otherwise on the agenda. This rolling work programme report is updated and published on the agenda for each meeting of the Commission.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Mon 14 July 2014 Papers deadline: Thu 3 July	Election of Chair and Vice Chair	Chief Executive's	First meeting of newly elected Commission.
	Introduction to G&R	O&S Officer	To note.
	ICT Review	Finance and Resources (Christine Peacock)	To agree final report. Changes requested at April meeting.
	London Living Wage investigation	Chief Executive's	To note Commission's letter to Cabinet Member for Finance on outcome of this investigation
	Finance update	Finance and Resources (Ian Williams)	Briefing on the budget scrutiny process and update on General Fund savings 2011/12-2013/14.
	Work Programme Discussion		To agree a review topic and topics for one-off items for the year.

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[1] Please note there will be no Commission meetings in April 2015 because of the General Election purdah period.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Mon 8 Sept 2014 Papers deadline: Thu 28 August	'Public Spend' review – expert briefing	OPM - Sue Goss and Independent Consultant - John Atkinson	Briefing on 'Total Place' to begin scoping of review on 'Public Spend'
	'Public Spend' review – Methodology of Approach to Mapping Total Spend	O&S Team (Tracey Anderson)	Information on the methods of approach used to map total spend
	Impact of welfare reforms on local residents	Finance & Resources (Kay Brown and Jennifer Wynter)	Continuing regular updates on how the Council is responding to local impact of welfare reforms. Joint with CSSI members following up on their own review.[2] Both Commissions collaborating.
Mon 13 Oct 2014 Papers deadline: Thu 2 Oct	Public Spend' review – evidence gathering session	Finance and Resources	Information presented on total public spend in the Borough
	Complaints Service – annual report	Chief Execs Office (Bruce Devile)	Annual report of the Council's complaints service
	Council Governance – scrutiny inquiry	Mayor's Office (Ben Bradley)	Response to additional recommendation from April (proposal for an annual Full Council work programme planning meeting)
	'Public Spend' review – Terms of Reference '	O&S Team (Tracey Anderson	To agree terms of reference

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[2] G&R received update in Dec 2013. CSSI received update April 2014 and is due to receive another in March 2015.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Mon 10 Nov 2014 Papers deadline: Thu 30 Oct	'Public spend' review – evidence gathering session	Lewisham Council	Information about the Lewisham, Lambeth and Southwark Community Budget Programme.
	Policy Update – Long Term Unemployment	Chief Executive – Corporate Policy	Information about long term unemployment in Hackney.
Mon 8 Dec 2014 Papers deadline: Thu 27 Nov	Cabinet Question Time with Cllr Taylor (Cabinet Member for Finance) TBC	Cllr Taylor – Cabinet Member Finance	Cabinet Question Time is now carried out by individual Commissions. Cllr Taylor has lead responsibility for revenues and benefits, audit, procurement, pensions, and customer services.
	Governance Review	Legal, HR and Regulatory Services (Gifty Edila)	Discussion about the role and responsibility of Corporate Committee.
	Finance update	Finance & Resources (Ian Williams)	Update on the Autumn Statement.
Mon 19 Jan 2015 Papers deadline: Thu 8 Jan	Public Spend' – evidence gathering session	Various organisations	Information on the current service provision, client group and spend on services provided by the Council and partners for long term unemployed residents in the borough.
	ICT Review Executive Response	O&S Team (Tracey Anderson)	To note the Executive Response to the Commission's review.
	Budget and Finance update	Finance & Resources (Ian Williams)	Budget and Finance update on local government settlement and Council Budget for 2015/16.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Mon 9 Feb 2015 Papers deadline: Thu 29 Jan	Fees and Charges Update	Finance & Resources (Ian Williams)	Update on 2015/16 Budget – Fees and Charges
	North London Waste Authority (NLWA)	Community Services Directorate Tom McCourt David Beadle (NLWA)	Update on the NLWA's – covering recent history, proposals and impact.
	Whole Place, Whole System Review: Long Term Unemployment and Mental Health	O&S Team (Tracey Anderson)	Terms of Reference and service user research specification
Mon 16 Mar 2015 Papers deadline: Thu 5 March No mtg in April due to general election purdah	Whole Place, Whole System Review: Long Term Unemployment and Mental Health	Various organisations	Whole Place, Whole System Discussion with: • Lankellychase Foundation • London Borough of Lambeth
	Council Tax Reduction Scheme	Finance & Resources	Discussion about the scheme *Moved to June*
	Work programme for 2015/16 discussion		Discussion on topics for work programme for 2015/16.

The following are also to be scheduled:
Public Participation – full review to commence June 2015
The Future Public Servant – full review to commence Jan 2016
Technology and Innovation – full review of Task & Finish
Capital Strategy – full review
Fees and Charges – revisit implementation of recs of previous review

Council Tax Reduction Scheme – one off item
Big Data – major review
Full Council – implementation of recs from previous review – one off

Site Visit
Site Visit to LB Lewisham on Tuesday 20th January 2015 – The Commission will talk to London Borough of Lewisham and visit one of their sites for the Community Budget Pilot with London Borough of Lambeth and Southwark.

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