

BREAK ON THROUGH

OVERCOMING BARRIERS TO INTEGRATION

Laura Wilkes



New Local Government Network (NLGN) is an independent think tank that seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is publishing this report as part of its programme of research and innovative policy projects, which we hope will be of use to policy makers and practitioners. The views expressed are however those of the authors and not necessarily those of NLGN.

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Any mistakes or omissions are, of course, my own.

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NLGN

INTRODUCTION

Service integration is the most exciting game in town for local public services, providing a path to improved outcomes for communities and reductions in the cost of delivery. Government has made it clear that taking forward integrated working must be done locally; but progress and pace of change to date has been slow. Councils and their local partners are facing a series of barriers which are preventing them from acting.

Local government has tended to argue that this lack of progress is because of Whitehall's failure to address siloed central policy making. Ministers have generally responded to this by offering to 'barrier-bust' by removing specific barriers to integration where councils can identify them. But our research shows that this debate now needs to change.

People believe that most of the barriers that areas are facing are overwhelmingly local and, more often than not, are about local relationships and leadership. The majority of these barriers cannot be busted by anyone except local partners themselves painstakingly building stronger relationships with one another.

That is not to say that central government does not have a role to play in supporting the local public sector to integrate; there are things that central government can change at a structural level that will assist with the process of integration. The biggest of these is to reform local public service financing, which under the current financing regimes creates artificial barriers that can get in the way of building better local relationships.

Broadly though, the question for central government is not how to remove bureaucratic impediments, but how to deliver a more ambitious programme which supports the positive development of better local relationships. This means stronger cross-government leadership on service integration, with departments such as Department for Work and Pensions (DWP), Department for Education (DfE) and Department for Business, Innovation and Skills (BIS) providing a stronger lead to their agencies. It also means support for

new financial mechanisms such as pooled budgets and payment by results initiatives which can drive collaboration.

With this in mind, this report focuses on what local areas can do themselves to transform and how central government can support this. What we really need is radical change of relationships at a local level, and to support areas to catalyse this process of building better partnerships.

RECOMMENDATIONS

Recommendations to local government

- Develop governance and data sharing frameworks with key local partners.
- Set out a clear process for managing risk and failure.
- Involve all key partners in co-designing programmes, not just at the contracting stage.
- Ensure regular communication with staff and users about the changes that are taking place.
- Pool and share teams across partners locally to develop transformation and rapidly grow capacity.
- Establish investment models and fit for purpose financial structures and undertake multi-year budgeting.
- Develop expertise to evaluate and assess success, and use this to inform business cases.
- Share evidence with the sector as it becomes available; particularly evidence of failure, through existing channels.
- Where integration initiatives have been implemented successfully, areas should offer secondments opportunities and staff-exchange for key staff to share their expertise with other areas, to up-skill and grow the sector knowledge base.

Recommendations to central government

- The Cabinet Office should make plans for the establishment of a Cabinet Committee by the end of 2015 to drive forward public sector integration to ensure cross-Whitehall leadership and support for integration.
- To be introduced alongside the next Spending Review, the Cabinet Office should develop and better align existing performance frameworks across the public sector around shared outcomes, and ensure that these frameworks have complementary incentives.
- The Treasury should start making plans to develop shared outcomes and budgets across Whitehall, around key priorities for integration in preparation for the next Spending Review.
- By the end of 2015, departments should make direct resources available, through a Better Care Fund model to make upfront finance available across a range of outcome areas to incentivise integration at speed.
- The government should accelerate progress on the commitment made in the Autumn Statement 13 to work with departments to give local public services the same long-term indicative budgets as departments from the next Spending Review to help areas plan for the long term and invest in setting up early intervention and prevention programmes.
- Cross-departmental teams focussed on key outcome areas should work with local areas to explore how pay-back mechanisms and tariff systems might work, which assign risk at an appropriate level and share savings across the local public sector, for instance through a re-aligned skills funding system.
- The Public Service Transformation Network could play a greater role in generating and sharing evidence across local government, and also make this applicable to other parts of the public sector, for instance on how to develop and implement pooled budgets.
- By 2015 establish a What Works Centre for service integration.

METHODOLOGY

This report is informed by a three-stage methodology:

- 1.** A survey of councils, public and the private sector partners conducted by NLGN throughout January and February 2014, which sought to understand views on service integration. 116 respondents answered this survey, although the number of responses to each question varied.
- 2.** Case study interviews conducted with officers in six councils who are already integrating services with their partners locally.
- 3.** NLGN held a co-production workshop with council officers in February 2014 to explore integration successes and specific barriers, and to identify solutions to overcome these.

1 DELIVERING BETTER OUTCOMES

NLGN's survey demonstrates that areas believe that integrating services will lead to better outcomes for users and that in the long term it will save money to the public purse. There is a growing body of evidence supporting this belief, pointing to better outcomes from service integration.¹ Despite this, progress towards implementing integration is slow – areas have a long way to go until integration initiatives are fully operational across all service areas. Crucially, our survey finds respondents believe that integration is possible without central government and the introduction of structural change. This chapter sets out the results of our survey and presents analysis on what this means for local areas.

Our survey demonstrates that the majority of local authorities and their partners are already taking service integration forward in their areas. Nearly 84 per cent of respondents said that their organisation is currently involved in integrating services and outcomes with other public and private sector organisations. This is a significant majority and demonstrates the very real desire within the sector to transform and integrate local services across partnerships.

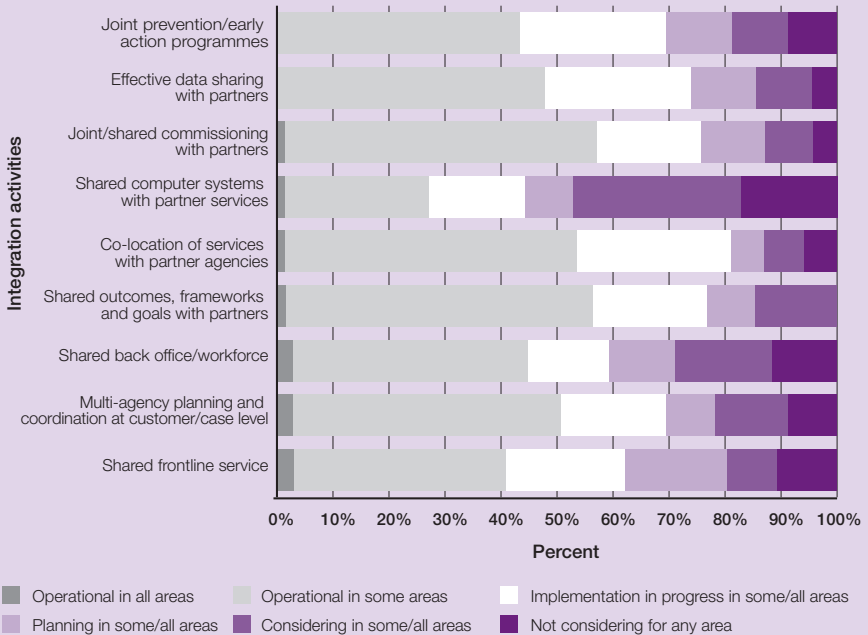
It is clear that the move to integrate is not just because government is telling areas to do it. It is also driven by the belief that integration will lead to better outcomes for citizens and service users, whilst cutting back unnecessary costs and duplication across the public sector to save money in the long term.

Nearly 92 per cent of survey respondents agree that integration and local service reform will lead to improved outcomes for service users; and 87 percent agree that integration and local service reform will lead to reduced costs for public service in the long term.

¹ National Audit Office, *Case study on integration: Measuring the costs and benefits of Whole-Place Community Budgets*, 2013

This is not to say that all service integration projects will lead to cost savings – the desire to integrate is about getting better outcomes for services users by presenting more streamlined and coordinated public services that are responsive to their needs. In terms of savings, the survey demonstrates that areas are focussing on those that can be delivered in the long term. This is largely because it is accepted that integration will require additional resources in the short term – which will not necessarily deliver immediate cost reductions. Only 35 per cent of survey respondents agree that integration and local service reform will lead to reduced costs for public services in the short term; yet around 69 per cent of survey respondents agree that the benefits of integration outweigh the upfront costs of integration. In the long term, areas believe that the benefits delivered through integrated working will make the upfront investment worthwhile.

FIGURE 1 Thinking about your service areas, please rate your organisation's progress in relation to the following integration activities (n=66 to 70)



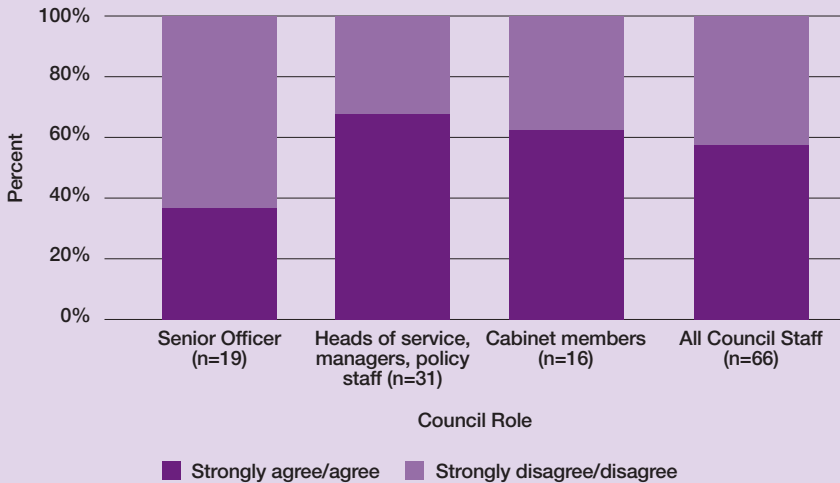
Despite recognition about the benefits of transforming services to work in this way, progress towards integration is slow. We asked survey respondents to rate their organisation's progress in relation to various integration activities, such as shared back office functions, data sharing with partners and joint early action programmes. We found that on average only 2 per cent of organisations have activities fully operational across all service areas (see Figure 1).

Across all service areas, on average, around 50 per cent of respondents do not yet have these integration activities operational – either because they are planning or not considering these activities.

What is interesting and perhaps the message coming out of the survey is that areas believe the reasons for lack of progress are solvable locally, without central government intervention. 61 per cent of survey respondents agree that setting up integration initiatives without central government is achievable; and 59 per cent agree that integration initiatives are achievable without central government introducing structural change.

Figure 2 demonstrates that there is a slight divergence in opinion when considering the differing responses of individuals within councils. Compared to senior officers, heads of service, service managers and policy staff are more likely to agree that setting up integration without central government is achievable in most cases – suggesting that these roles are much more optimistic than senior officers about setting up integration themselves. There could be a number of reasons for this and perhaps a reflection that senior officers are more in tune with the day-to-day challenges of setting up integration projects in their own areas and building relationships at a strategic level – which take a great deal of time to develop. Despite this, the overall message is that areas think they can solve most barriers at a local level.

FIGURE 2 Setting up integration initiatives without central government support is achievable in most cases. (Council staff)



This raises important questions for areas about why the pace of change is so slow, what barriers to integration exist and what can be done to accelerate the pace of transformation. In particular and if service integration is to be taken forward successfully, we must understand:

- Where has service integration been implemented successfully and what have the outcomes of this been?
- What conditions need to be in place for areas to integrate successfully and what factors enable integration?
- What barriers are stopping councils and their partners from integrating locally?
- What solutions can be developed to remove barriers and to what extent can this be achieved locally?

Our research aimed to explore and understand these crucial questions and develop solutions to the barriers that local areas are facing.

Chapters two and three of this report outline the conditions that enable integration locally, and highlights case studies and successful examples of integrated services. It also highlights the local barriers to integration and makes recommendations for how councils and their partners can move forward. This includes suggestions to central government on how it can support the local public sector to build better relationships and accelerate the pace of change.

2 FACTORS AFFECTING INTEGRATION

It is important to understand what factors act as barriers and enablers to service integration. This chapter explores the findings of our survey and the emerging lessons from our case study areas on what factors affect integration.

Case study evidence from across the sector is starting to quantify the benefits and costs of integration – all of which make a strong case for transformation and reform. The National Audit Office report² on the Whole Place Pilots identified that in each of the Whole Place areas there is potential for net savings from the projects within five years, including £56 million in West Cheshire and £414 million in Essex. There are also a number of resources³ that have been developed following the pilots, which point out useful steps that can be taken to accelerate integration – for example by establishing governance arrangements and programme boards. These are all incredibly useful in making the case for integration locally and in establishing the key building blocks for planning and implementing programmes.

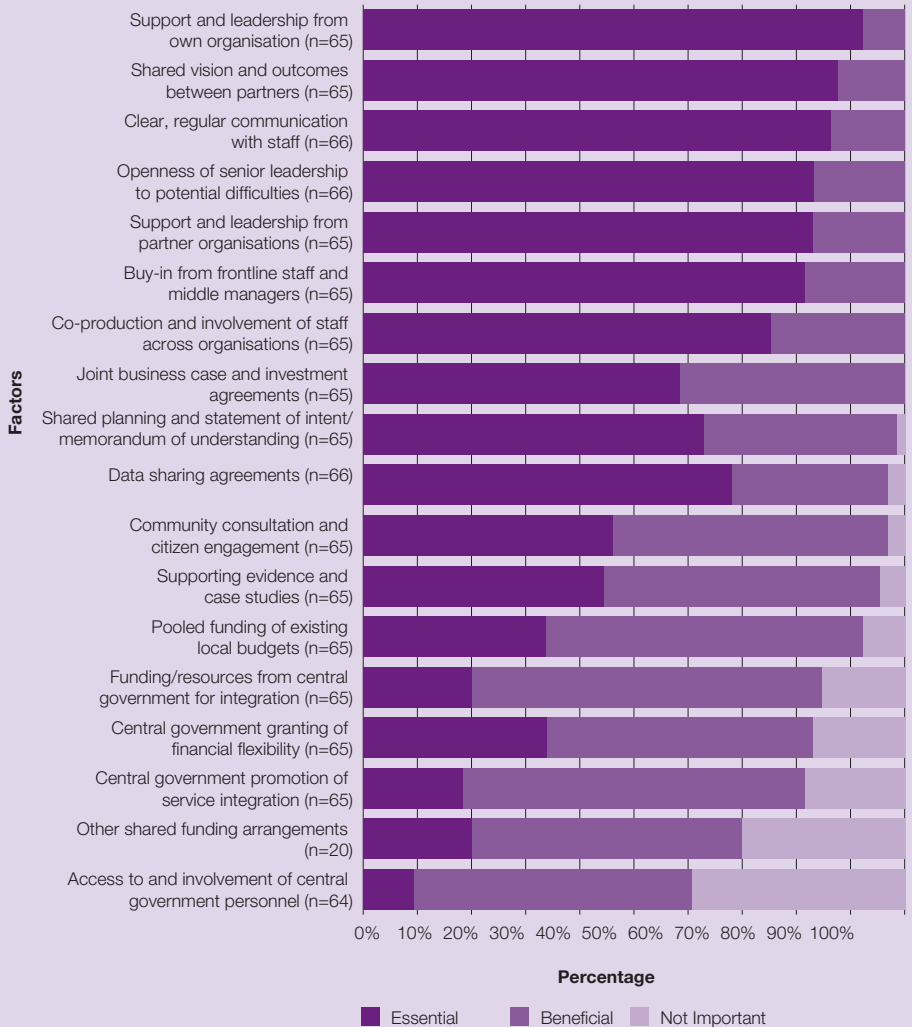
NLGN wanted to build on this work by exploring what factors and actions can enable service integration, and what prevents progress locally. We wanted to establish whether there are a series of common conditions that all councils and partners can have in place at a local level in order to take forward integration successfully.

We asked survey respondents to indicate which factors they thought had been essential, beneficial and not important for enabling service integration.

² National Audit Office, *Case study on integration: Measuring the costs and benefits of Whole-Place Community Budgets*, 2013

³ Whole Place Community Budgets, Resource Library

FIGURE 3 Please indicate which factors you think have been essential, beneficial or not important for enabling service integration.



As Figure 3 demonstrates, the top essential factors – that is, those that are vital for local service integration – were identified as:

- Support and leadership from own organisation
- Shared vision and outcomes between partners
- Clear and regular communication between staff
- Openness of senior leadership to potential difficulties
- Support and leadership from partners organisations

Broadly, these factors are all about ensuring that relationships within the organisation and externally with partners are mature and open, that people are on the same page in terms of what they want to achieve, and that all partners are aware how initiatives are progressing.

In addition to these essential factors, there are also a series of factors identified as being beneficial: nice to have but not fundamental to service integration. These factors tended to relate to central government support and funding arrangements. The top beneficial factors were:

- Funding/resources from central government for integration
- Central government promotion of service integration
- Pooled funding of existing local budgets
- Other shared funding arrangements
- Access to and involvement of central government personnel

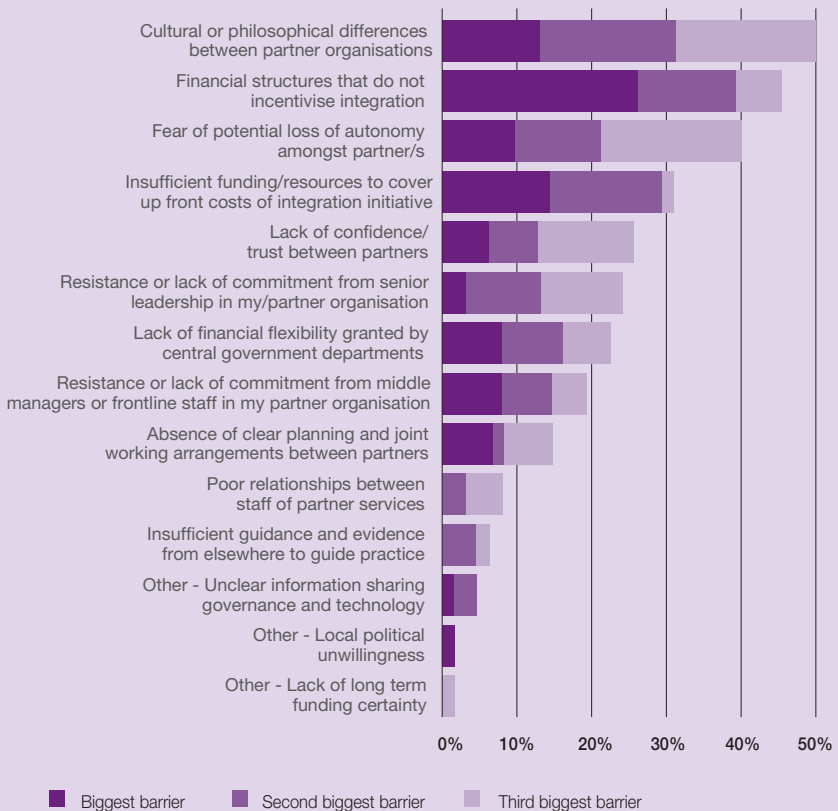
So while overall there were few factors that were identified as not important to integration, there is a slight trend suggesting that central government support and certain funding arrangements are not essential, but desirable to integration locally. This tends to support findings elsewhere in the survey stating that councils feel taking forward integration initiatives without central government support is achievable. It would seem that whilst central government support is helpful and beneficial if available, it is not the key ingredient to making integration happen locally. Other factors that are determined locally – such as relationships – are far more important factors affecting integration.

We also wanted to understand what was holding areas back from integrating, and whether it was simply that the factors which enable

integration were not present locally, or whether the barriers are more complex. Therefore we asked survey respondents to tell us what was stopping them from integrating services locally with their partners. The top five barriers that were identified in the survey were (see Figure 4):

- Cultural differences between partner organisations
- Financial structures that do not incentivise integration
- Fear of potential loss of autonomy amongst partner/s
- Insufficient upfront investment
- Lack of trust between partner organisations

FIGURE 4 Please rank the top three challenges hindering current integration initiatives in your place, where 1 is the biggest challenge (n=60 to 61)



Similarly, at the coproduction workshop, we asked for participants to outline the barriers that they were facing under each of these key themes identified in the survey. They described the local barriers as being related to four principal areas: **leadership, finance, capacity and culture.**

Unsurprisingly, these barriers are largely about local relationships. However, finance also emerges as a significant theme. Indeed, in the survey 'financial structures that do not incentivise integration' was the most commonly cited 'biggest barrier' to integration, and this was also something discussed in depth in the workshop.

This is the principle tension arising from the qualitative findings – while people believe that barriers are local and they rate different financial arrangements as beneficial rather than essential to integration, they also rate finance structures as the top barrier. In most cases this can not be solved locally and is related to the way in which funding is devolved from the centre to local areas. Whitehall must play a key role in reforming financial structures to enable local areas to work together better.

We recognise that the conditions and actions that enable service integration are in many cases the very same factors that are identified as barriers to integration. So the question here is what do the factors look like when they are working well, and what outcomes do they achieve? While the conditions and barriers identified in the survey provide a useful starting point to understanding what local areas are experiencing, the headlines tell us little about the real detail of the enabling factors and challenges to integration. As such, through six⁴ case studies and at the coproduction workshop we explored in more depth the detailed nature of the enablers and barriers, how problems are experienced locally and what can be done to resolve them. The following chapter of this report sets out the enablers and barriers in practice.

⁴ The six case studies are presented in full in the library, at the conclusion of this report. They are: Lewisham, Lambeth and Southwark: work and skills and the Local Support Services Framework Swindon Borough Council: troubled families project; West London Alliance: work and skills; West Cheshire: families with complex needs; Greater Manchester: criminal justice; Essex County Council: families with complex needs

3 MAKING INTEGRATION WORK

This chapter discusses the enablers and barriers to integration in depth, and makes practical suggestions for how local areas can be supported to build better local relationships.

We know that in areas where integration is working well, there are a series of conditions in place that are driving it forward, namely:

- Support and leadership from own organisation
- Shared vision and outcomes between partners
- Clear and regular communication between staff
- Openness of senior leadership to potential difficulties
- Support and leadership from partners organisations

We also know that these conditions are the very same factors which are causing barriers to integration in places where they are not present. The challenge ahead is to support areas to build better local relationships, and there are a series of local actions that areas can take to start doing this. This chapter now explores how to make integration work in practice, in relation to: leadership, finance, capacity and culture – the areas identified as key barriers to integration.

LEADERSHIP

In areas where integration is being taken forward at pace, it is evident that strong leadership has a key role in driving this. In Greater Manchester they describe both political and managerial leadership as being central to success, and in Lewisham, Lambeth and Southwark, they outline strong political leadership between council leaders as being the first step in driving the programme of integration forward and in agreeing a programme of work. The West London Alliance have strong governance arrangements in place including a programme board which is chaired by the chief executive of

Barnet and has buy-in from senior executives across other organisations.

Taking forward integration without leadership and a clear sense of shared aims makes it incredibly difficult to engage all partners, and to plan and implement new ways of working.

'It is not clear who is leading and driving the agenda and the direction that the organisation is going in. Some silos are still in conflict where priorities don't align within the local authority, and this expands out.' (Workshop attendee)

'The essential ingredient of leadership is not uniform across all partners particularly where agency and political interests are different.' (Workshop attendee)

'The biggest challenge is to get agreement and buy-in from all the parties at the outset of each project and to set up a system of governance for each project to keep it within agreed guidelines.' (Survey respondent)

There are tensions in establishing political and managerial leadership – both of which are vital to integration – but it is political leadership that needs to be established first. This must address and overcome the challenge of politics, which can get in the way of decision making, for instance because elections are looming or because political leaders are fearful of making unpopular decisions. The very real political fear of loss of autonomy and concern that lines of accountability between different organisations will be blurred – opening up risk – needs to be managed carefully.

'[There is] political nervousness of loss of control if the shared service is not hosted by the local authority.' (Survey respondent)

Securing political buy-in for integration should involve addressing the issue of politics upfront and setting out how integration will deliver both short and long term outcomes against local priorities and for the community – officers can play a key role in doing this.

Where relationships are not strong or are new, developing trust between partners has to be a starting point. Experience – for instance in Lewisham,

Lambeth and Southwark – shows that this can be done by starting with something small that can be scaled up and concentrating on building coalitions of the willing and those who share the same values locally. Building on existing relationships is a crucial starting point, which in the short term, might mean initially leaving some partners behind. In Greater Manchester they have a long history of partnership working so had a strong base to build upon.

Leadership is also about empowering others to deliver and encouraging individuals to make brave decisions. In Essex ensuring that buy-in was cascaded down was vital in engaging staff beyond the chief executive. Time and time again we hear that innovation often comes from those on the front line and in particular that services users themselves are best placed to design systems and services that best meet their needs. So leadership and vision should not stifle innovation – rather leaders need to embed a culture where innovation throughout the organisation is encouraged and supported, from the bottom-up and the top-down. On a practical level, this also means being pragmatic about managing risk – if an experiment fails, organisations should develop processes for quickly learning from these and then moving on.

'Get senior management buy-in, [a] willingness to work differently, be innovative and open to change, [have a] determination to succeed and reap mutual benefits, keep communication channels open at all levels.' (Survey respondent)

The possibility of job losses and reductions in funding alongside the need to streamline services and cut duplication across different organisations, presents a tension for those who are developing and implementing integration locally. Staff fears around the future need to be managed with sensitivity as it is these very same members of staff who are often charged with taking forward the integration initiatives whose role may be at risk. Relentless communication about what is happening and why, is vital in ensuring that staff engage with integration, rather than fight against it.

Leadership is not only a local problem. A sense of lack of leadership from across all parts of central government and confusing and divergent initiatives stemming from different Whitehall departments is reinforcing problems locally.

'Some duties do not align and work under different remits. For example, councils have a duty to stop noise. But if the police arrive at an address as first respondents, they cannot deal directly with noise nuisance, and have to refer this to the council.' (Workshop attendee)

'It's hard to work with all parts of the public sector given that the timing to do this is all within local government structures.' (Workshop attendee)

Duties, conflicting performance regimes, different funding mechanisms and financial incentives across public sector organisations require coordination and leadership across Whitehall – to timescales that match all partners, not just councils. The government has already removed much of the centrally driven burdensome performance inspection and regimes, and supporting local place-based performance regimes which account for delivery of local outcomes could help to drive an area-based approach to integration and reform.

At present, this agenda appears to be a DCLG led initiative without enough visible buy-in from other key departments such as the Treasury, DWP and acute health trusts. This has a knock-on effect at the local level, whereby local partners are often not aware or on board with plans for integration. More visible cross-Whitehall departmental support for service integration, through Ministers, in addition to clear direction and guidance from all relevant central departments will drive forward the sort of top-down leadership that is required to secure buy-in from all local partners.

This could also include visible leadership around opening up budgets in areas such as DWP, to enable payment by results schemes and enable the Treasury to develop tariffing systems with local authorities upon delivery of people into work. Greater freedoms and autonomy at a local level to innovate with how budgets are spent could also enable work to be taken forward. Similarly, just as local areas are being encouraged to pool local budgets and outcomes, there is a case for central government to follow-suit, across Whitehall. In order to understand the duplication of outcomes across Whitehall, a review of work-streams could help to better understand how to cut duplication and coordinate activities and budgets centrally.

FINANCE

The issue of finance is one that emerged strongly from the survey as a barrier to integration. This relates to both a lack of upfront investment for integration and different financial structures across sectors which are getting in the way of building better relationships and setting up pooled and aligned budgets locally.

The fact that finance was rated by survey respondents as the number one barrier to integration presents a tension with the analysis that all barriers are local. Financial structures and flows of finance are directly related to central government and the way in which budgets are devolved and service delivery is incentivised. Centrally-led, misaligned financial structures across different parts of the public sector result in artificial barriers between organisations; financial synergies between sectors would make collaboration much easier. Relationships are undoubtedly made more difficult because of the way that money flows through the public service system.

It is likely, however, that to overcome these financial barriers much longer term reform of public sector structures is needed. This should consider radical change in how we think about the financing of local public service and the most appropriate level and organisation to bear the risk of programmes and investment. To incentivise reform, it is important that both local and national partners bear risk in a way that reflects the rewards that each partner will receive as a result of integration. This will require a whole systems approach to local public services, which the current silo set-up in Whitehall and locally, will not allow.

Given the challenge of reducing the cost of service delivery, problems of 'double running' whereby areas have to maintain services that meet needs now, whilst also investing in preventative services that will be required to manage future demand, is proving a real issue.

'Implementation timeframes for this are set against financial imperatives. We are not realising benefits quickly enough and there are competing local priorities that fall outside of the transformation programme. There is also the challenge of double running whilst maintaining delivery.' (Workshop attendee)

'[A barrier is] emphasis on short term savings e.g. lowest-cost procurement of services [and] management based on day-to-day inputs/outputs rather than longer term outcomes.' (Survey respondent)

Areas such as West Cheshire have implemented in-kind investment from partners such as staff time, and joint financial investments to particular initiatives, to address this.

Although there is divergent opinion at a local level on the extent to which the Better Care Fund has enabled integration at speed, there is no doubt that this fund has provided vital upfront resources to local partners for taking forward service integration. In a climate where councils and their partners have to make upfront budgetary savings, ring-fencing additional money for local areas to integrate does provide an incentive and means by which to take projects forward. Making similar funds available across a range of outcome areas could help local authorities and their partners invest in integration.

'The Better Care Fund provides good framework for addressing barriers and powerful incentives to do so.' (Survey respondent)

Some local agencies, such as JobCentre Plus, do not hold their own reserves and have minimal funding discretion over whether to invest funds in local programmes. As such, local government is often the agency that must raise upfront investment for preventative services. However, in many circumstances, if councils invest in an outcome area, such as preventing worklessness or keeping older people independent for longer, a proportion of the savings realised from delivery of these successful outcomes will not accrue to local authorities, which makes continued investment in the services and programmes to prevent the negative outcomes challenging.

As an example, if local authorities invest in services to get people back into work, it is JCP and DWP that benefit financially, through a reduced benefit bill and receipt of additional National Insurance contributions. A pay back or reinvestment mechanism that enables JCP and DWP to invest some of these financial savings back into local authority services to prevent negative outcomes should be explored. This might mean central government addressing some ring-fenced budgets such as those in schools and health,

and thinking about how to channel and pool these budgets to different organisations and initiatives.

The Alliance Contract model planned for Greater Manchester in 2015/16, for instance, looks to deal with this issue by bringing together commissioners into a single contract with a number of provider organisations. The alliance of providers receives income for which they are collectively accountable to deliver against a common performance framework. As a step towards this contract, the 'Pre-Alliance' Contract incorporates a proportion of organisations' contract values but includes the majority of performance indicators and performance related pay. Providers will retain a bilateral contract for the majority of their income.

Even where pooling and aligning of budgets is agreeable to all partners, implementing it in practice is difficult. There are a significant number of governance issues and requirements of pooled budgets, not to mention cultural issues where organisations tend to focus on what they are giving up, rather than what they are trying to achieve. Local authorities and their local partners need to understand exactly what is involved in establishing payment by results systems and pooled budgets. At present this is something councils are uncertain about. This is less about inspirational case studies, and more about how to deal with very practical issues such as governance, central government reporting requirements and what pooled budget agreements actually contain and look like. A 'step-by-step' guide demonstrating how to set up and run pooled budgets and payment by results is urgently needed by the sector in order to share practice.

CAPACITY

Lack of resources and organisational capacity to take forward integration is a problem locally: many staff are already at capacity simply 'doing their day job'. Part of this barrier is that many people do not yet appreciate how service integration can help them do their day job, whilst also delivering on future needs.

'It is very difficult to release people from their day-to-day job to do this, there are no resources, no capacity and the skills are lacking. Also, it's not a priority as it's not at crisis point yet.' (Workshop attendee)

'The very immediate budget pressures means that innovation and creativity is stifled, and organisational capacity to invest in such integration is minimal. This is ironic considering the investment could solve the longer term budget pressures, but headspace and funding to address this right now feels limited.' (Survey respondent)

Investing in additional staff capacity is not a viable option for most areas, given the need to make upfront budgetary savings, and sharing staff across organisations through secondments and similar schemes is often time consuming and complicated. Moving to considering capacity from a 'whole system' approach could provide a way to borrow capacity and skills from partners by pooling teams to quickly push capacity towards areas that need rapid development.

For example, Swindon are investing £1.8 million in a Transformation Hub, which is a partnership between the council, CCG, police and the Public Service Transformation Network that brings the necessary capacity and capability to transform at pace and scale. The West London Alliance has established a central staff team to coordinate and lead on integration activity, which has been helpful in pushing forward integration. In a similar vein, there are a cohort of key individuals across the local government sector who have significant experience of service integration; the sector must think collectively about how to best use this experience and share this resource by being flexible about secondments and pooling opportunities for these key individuals.

Given that many councils will be going through a period of rationalising functions and middle management to concentrate on frontline services, there is a real danger that service integration initiatives will struggle to engage middle management staff, who are most fearful of budget cuts and job losses. Leaders need to create a culture where it is both encouraged and acceptable to admit to having spare capacity to offer for new thinking and innovation, without fear that this will put their own position at risk by doing so.

Due to the scarcity of capacity, putting what little capacity is available towards innovation is viewed as a risk because if innovation fails this equated to wasted resources. But by turning failure into a positive learning

experience and understanding how to undertake a 'reliable' innovation process, taking a risk with trying something new should become easier to 'sell' to leaders and partners.

Many areas experience lack of community capacity, and difficulties in engaging and mobilising communities to get involved with service co-design and delivery. Some areas have had real success in mobilising communities around specific campaigns, such as saving libraries, responding to flooding and the riot clean ups. However sustaining and growing this capacity over a longer period of time and transferring interest to other areas of services has not been possible for many areas. Therefore thinking creatively about how to harness local capacity through single, one-off campaigns rather than ongoing day-to-day service responsibilities, should be a priority. When capacity is very quickly needed around a single issue, areas should develop a process to quickly bring together and mobilise community capacity.

CULTURE

Through the survey we identified cultural differences between partner organisations as a key barrier to integration. When exploring what this meant in practice, the central issues related to the availability of evidence on the outcomes of integration, and problems relating to information sharing – both to support evidence gathering and to contribute to service transformation.

Evidence

The ability of all partners to see the broader benefits of integration to the whole public sector, and working past silo-organisational views, is fundamental to integrating. For instance, West Cheshire have developed robust business cases supported by statistics relating to the costs and benefits of new models in order to roll them out and gain buy-in for the new approach.

Lack of evidence pointing to clear outcomes of integration for all partners, not just councils, is a clear issue. For instance, it has been reported that NHS colleagues can struggle to understand the financial benefits to their organisations of health and social care integration, in absence of clear

financial evidence setting out the savings to the health sector. The Better Care Fund is commonly perceived as a 'land grab' by local authorities, and lack of evidence on concrete outcomes for users of services makes convincing health colleagues difficult. What is more, as acute hospital trusts are paid on activity rather than capitation – a fixed amount per head – there is little incentive for acute trusts to switch to a preventative model. Given the scale of the challenge ahead and the implications of prevention and integration in the long term, such as a smaller public sector and fewer jobs, it is understandable why there is resistance, fear and suspicion of integration, particularly in the absence of evidence.

'All too often people are trying to protect their own territories and they take all suggestions as a criticism. People fear change.' (Workshop attendee)

'Too many people see integration as a threat rather than an opportunity.' (Workshop attendee)

There is an obvious impasse, where lack of evidence stymies progress towards integration; however in the absence of progress towards integration, it is impossible to collect data and evidence of outcomes achieved. Subsequently, absence of evidence, or absence of *enough* evidence, has in many cases become a reason and excuse for doing nothing. Areas point to a clear lack of quantitative data on integration, and in particular in relation to savings generated – however waiting until this evidence is collected will take too long. Adopting a pragmatic approach to evidence, which reduces the burden of proof expected and assumes that integration will lead to budgetary savings in the long term, will enable councils to act now, rather than waiting to quantify the savings that can be made. This approach to incremental learning, by building and improving evidence by scaling up examples that track impact on key outcomes, will enable areas to take forward integration and act now, whilst collecting evidence as initiatives progress.

Local areas need to make better use of existing channels already in place, which aim to support the production and sharing of evidence, for instance

from the Whole Place Pilots,⁵ through the LGA Knowledge Hub⁶, the Public Service Transformation Network⁷ and the What Works Network⁸. These channels will assist councils and partners in making the case for service integration and finding local solutions to transformation barriers. There is also a need to share evidence of failure. This is a clear cultural problem across the sector, where together we need to create an environment where it is encouraged and acceptable to share examples of failure and poor practice without being vilified.

Central government can help to support the production and dissemination of evidence – the Public Service Transformation Network are ideally placed and equipped with the capacity to share good practice both centrally and locally. The Public Service Transformation Network needs to work centrally within Whitehall to spread good practice and evidence relating to the outcomes of local service transformation to make the case centrally to drive this agenda forward at speed and across all Whitehall departments.

Information sharing

The issue of information sharing concerns the collection of evidence pointing to the outcomes of integration, but is more commonly linked with the inability to access information which could inform better service design and practice. A more coordinated approach to sharing information about individuals could highlight where a person was in active contact with a range of agencies – social services, the police, charitable organisations and school support for instance – which could lead to better coordination of support for the individual, ultimately delivering better outcomes for that person.

However, fear of sharing data and misconceptions around what can and cannot be shared across partners, particularly in relation to personal information, prevents partners from opening up data that will be crucial to generating and collecting evidence in relation to integration.

5 www.communitybudgets.org.uk

6 www.knowledgehub.local.gov.uk

7 www.publicservicetransformation.org

8 www.gov.uk/what-works-network

'Information sharing will continue to be an issue because a balance needs to be struck between maintaining the trust of people around sensitive information and sharing information to achieve better outcomes for vulnerable people. There is also no single view of public service contacts. So for example, it would be useful to know how many of our working age benefit claimants take up GP appointment time, or access police services.'
(Survey respondent)

Partners need to give much greater consideration of information and data sharing at the earliest stage of any integration projects, which might mean establishing data sharing agreements at the outset, which outlines expectations on what data can be shared locally, to ensure that there is clarity about sharing of data whilst respecting rights and privacies. For example, Essex County Council have recently developed the Whole Essex Information Sharing Framework⁹ – a consent-based approach to multi-agency sharing for all partners which encourages safe, lawful and secure sharing of information and helps to ensure compliance with statutory duties. Local areas can seek support from the Centre of Excellence for Information Sharing¹⁰, a hybrid central-local partnership which helps areas to develop and implement local information sharing solutions. The Centre brings together local areas to share good practice, capture learning and practical experience from case studies, and uses evidence from work on the ground to drive a joined-up approach at national level.

⁹ Whole Essex Information Sharing Framework

¹⁰ www.informationsharing.co.uk

CONCLUSIONS AND RECOMMENDATIONS

Service integration offers local authorities and their public sector partners a path to delivering better outcomes at reduced cost – it is the most exciting game in town for transforming local areas. Even though places recognise this, progress towards integration is slow and the scale of transformation underdeveloped. Primarily, this is because local areas are struggling to foster leadership and build the sort of local relationships that will enable integration to move forward at speed.

Learning from the findings of our survey and the good practice examples, it is evident that there are a number of conditions that are present in all areas that are successfully integrating with their partners. These are:

- Support and leadership from own organisation
- Shared vision and outcomes between partners
- Clear and regular communication between staff
- Openness of senior leadership to potential difficulties
- Support and leadership from partners organisations

These conditions are about building strong local relationships and coalescing around a single local vision for public services. But there are no quick fixes and easy recommendations that can be made to local areas which will help them to lead better and develop a culture which promotes innovation. Building trust, commitment and leadership are factors that can not and will not develop overnight. Instead, patience will be required and areas will have to balance the need to take time to allow relationships to mature whilst making rapid and scalable change now. Good relationships need constant nurturing.

That said, drawing on learning from the case studies, we do point to a series of discreet local actions that can be taken to support this process and build capacity for developing integration:

Recommendations to local government

- Develop governance and data sharing frameworks with key local partners.
- Set out a clear process for managing risk and failure.
- Involve all key partners in co-designing programmes, not just at the contracting stage.
- Ensure regular communication with staff and users about the changes that are taking place.
- Pool and share teams across partners locally to develop transformation and rapidly grow capacity.
- Establish investment models and fit for purpose financial structures and undertake multi-year budgeting.
- Develop expertise to evaluate and assess success, and use this to inform business cases.
- Share evidence, especially evidence of failure, with the sector through existing channels as it becomes available.
- Where integration initiatives have been implemented successfully, areas should offer secondment opportunities and staff-exchange for key staff to share their expertise with other areas, to up-skill and grow the sector knowledge base.

It is evident that overcoming the barriers to integration are within the grasp of local areas – they define the barriers as local rather than central and believe that they can overcome them without central government support. In some ways, it is now about local areas just getting on and doing.

However there is one clear exception and tension with this notion that all barriers are local, and this relates to finance. Flows of finance locally are getting in the way of greater collaboration and cannot be detached from the flows of finance centrally. Whilst the flows of finance is not the key ingredient to better local relationships and greater collaboration, enabling more streamlined and aligned funding, flexibility over tariffs and pay-back

systems and upfront funding to catalyse integration will undoubtedly assist with drawing together shared outcomes across local partnerships and the possibility of greater financial synergies, which we know are crucial to taking forward transformation. Central government has a clear role in supporting local areas by reforming the system of funding to make collaboration much easier.

While localities believe that they can overcome barriers locally, there is undoubtedly a role for central government in supporting local areas to integrate and build better local relationships. This isn't about 'barrier-busting', but instead co-ordinated central leadership around integration. This could be fixed through pooled budgets and simple governance reforms, in addition to work from bodies such as the Public Service Transformation Network in helping to build evidence for the sector and supporting relationships to grow.

In order to fundamentally shift the debate around service integration forward, we make eight recommendations to central government on how to support local areas to build better relationships and catalyse the process of change now.

Recommendations to central government

- The Cabinet Office should make plans for the establishment of a Cabinet Committee by the end of 2015 to drive forward public sector integration to ensure cross-Whitehall leadership and support for integration.
- To be introduced alongside the next Spending Review, the Cabinet Office should develop and better align existing performance frameworks across the public sector around shared outcomes, and ensure that these frameworks have complementary incentives.
- The Treasury should start making plans to develop shared outcomes and budgets across Whitehall, around key priorities for integration in preparation for the next Spending Review.
- By the end of 2015, departments should make direct resources available, through a Better Care Fund model, to make upfront finance available across a range of outcome areas to incentivise integration at speed.

- The government should accelerate progress on the commitment made in the Autumn Statement 13 to work with departments to give local public services the same long-term indicative budgets as departments from the next Spending Review to help areas plan for the long term and invest in setting up early intervention and prevention programmes.
- Cross-departmental teams focussed on key outcome areas should work with local areas to explore how pay-back mechanisms and tariff systems might work, which assign risk at an appropriate level and share savings across the local public sector, for instance through a re-aligned skills funding system.
- The Public Service Transformation Network could play a greater role in generating and sharing evidence across local government, and also make this applicable to other parts of the public sector, for instance on how to develop and implement pooled budgets.
- By 2015 establish a What Works Centre for service integration.

Local authorities are under no illusion about the challenge ahead: rising demand for costly services coupled with ever decreasing resources demands alternative ways of operating and rapid transformation now. But convincing partners that this needs to happen and actually starting the process of developing a shared vision is an immense task.

Many places spoke about the need for evidence to get moving and convince leaders and partners that integration was the path to better local public services. But evidence is not a magic bullet, and even though we may not yet have all the evidence pointing to the outcomes of service integration, there is enough available to demonstrate that integration can deliver better outcomes and reduce costs to the public sector. This should be enough to get going now, and we can build a more solid and expansive evidence base as we progress. Support from government to align incentives and budgets across public sector partners should help with this process.

This absolutely means taking risks locally in working differently and bringing forward great change – some of these risks will pay off and some won't. Some areas will fail and some integration initiatives won't deliver exactly

what they set out to. But there is much greater risk for the sector in doing nothing and maintaining the status quo. The risk of doing nothing will ultimately mean failure to tackle local need and deliver better outcomes for communities.

CASE STUDY LIBRARY

CASE STUDY: WHOLE ESSEX COMMUNITY BUDGET **THEME: FAMILIES WITH COMPLEX NEEDS**

Essex was one of the four original pilot areas under the Whole Place Community Budget programme. The Whole Essex Community Budget (WECB) involved the County Council, 12 District Councils, 2 Unitary Authorities, 7 Clinical Commissioning Groups and a range of other public, private and voluntary sector partners.

Under the WECB, Essex committed to a number of whole system transformation initiatives, including:

- Family Solutions
- Housing
- Integrated Commissioning
- Reducing Domestic Abuse
- Reducing Re-offending
- Skills for Growth
- Strengthening Communities (volunteering, increasing community capacity)
- Social Investment

WHAT ARE THEY DOING?

Since the submission of their operational plan in October 2012 Essex partners have been working to mainstream their integrated ways of working with families under their 'Family Solutions' programme. They have a number of teams across the county working with those falling under the 'Troubled Families' criteria and those with a wider definition of factors.

Their programme follows a Team Around the Family (TAF) model, with a key worker as first point of contact with families, who then works directly with the family to coordinate interventions which last for six months on average. There are eight multi-agency teams working with these families, coordinating activities between the police, health, job centre and social services. They are often co-located on shared premises.

Their business case approach involved the following stages: idea generation; early discussion with partners about the reasons for and against existing models; development of a project mandate about why it is needed; development of an outline business case and options appraisal; and then a final business case with a clear investment case and governance arrangements.

OUTCOMES

Enablers: what has been essential to developing and implementing the project locally?

Ownership & governance was considered the 'single most important thing to get right'. In Essex they have a clear governance route for decisions. They prefer to take things through existing boards, but sometimes establish new boards where that is necessary if existing boards have poor relationships. Their integration work surrounding domestic abuse is led by the Police and Crime Commissioner who has overall responsibility and the Chief Constable who is the Senior Responsible Officer (SRO). They think it important to 'engage beyond the chief executive', to make sure that buy-in and ownership is cascaded down. Early conversations about the sponsor, the SRO, and who will take the lead in each organisation, are key.

In Essex they felt that **business cases with cost benefit analyses** are important. But that this needs to be **balanced with real life stories** about how the system is not functioning at present, and how new ways of working will help. On its own a spreadsheet is not compelling: decision makers often relate better to vivid real life stories, and some partners also like to trust their own intuition and

judgement based on pragmatism rather than a detailed business cases. Both types of evidence should be collected and presented to support each other.

Evidence to inform projects was essential. Thorough financial modelling demonstrated the sensitivity to different operating models – for example the duration of new interventions could have a material impact on their viability. This led to the development of options for supported volunteering to sustain support beyond the direct intervention from the Family Solutions teams.

Central government support was also helpful. In Essex they felt that the visibility from being part of a **national pilot** was helpful. This provided additional impetus to complete their detailed business cases, assisted by close contact with the Treasury and other Departments, and sustained momentum for the work whilst helping partners to see the benefits.

‘With the best will in the world, if you’re left to your own devices it can slip and not everyone believes the benefit cases either’.

Understanding shared priorities with partners through honest dialogue and common language was seen to be important. In Essex partners appreciate the need for honest conversations which show an understanding of the complexities and pragmatics of local partnerships, and which speak to partners ‘in their language’ to articulate a shared understanding of the financial and non-financial benefits. For some partners ‘savings’ was an unhelpful term because of connotations with cashable savings which may not be achievable based on a simplistic understanding of unit costs.

‘Don’t pretend that just because you have a clever business case on unit costs it will be all you need to drive behaviour change’.

CASE STUDY: GREATER MANCHESTER

THEME: TROUBLED FAMILIES AND COMPLEX DEPENDENCY

Greater Manchester (GM) has two priorities: sustainable economic growth, and ensuring all residents can benefit from that growth. These are set out in the revised GM Strategy, Stronger Together. Good progress has been made on supporting growth by investing in infrastructure, skills and businesses. Economic growth and creating jobs will not be sufficient to meet these ambitions going forward. GM now needs to increase the pace and scale of work on public service reform, to connect residents to the opportunities created by economic growth, increase independence and support self-reliance. This is how they will close a c. £4.5 billion annual gap between total public spending in the conurbation and total tax take.

During 2014/15 GM will generate stronger evidence about the impacts of public service reform on key outcomes and on levels of public spending. GM will focus on two big ticket items – tackling issues of complex dependency, and integration of health and social care. The former will apply the Troubled Families ways of working to broader and deeper cohorts, with a sharper focus on employment. There are currently 247,000 GM residents out of work and claiming benefits, of whom around 140,000 claim Employment and Support Allowance, and these numbers have remained broadly similar through decades of growth and recession. Part of complex dependency is the innovative Work Programme Leavers pilot that has been co-designed with Government. This will test whether a more intensive, better integrated set of services for ESA claimants leaving the Work Programme can help more people into sustained work than business as usual. The latter will look at how new models of integrated out of hospital care can reduce admissions to acute services and long-term residential care.

WHAT ARE THEY DOING?

All GM public service reform work is underpinned by three common principles:

1. Integration of all public services to form bespoke packages of support based on the specific needs of individuals and families.
2. Select interventions on the basis of the strength of the evidence base.
3. Integration of public services around whole families in order to be most effective at changing behaviour, rather than just working with individuals.

New investment models based on cost-benefit analysis and a commitment to generating robust evaluation evidence are as important as integrated delivery models. The approach is to test working examples of reform to generate evidence over time that convinces all partners of the benefits of investing in scaling up the approaches, so that those partners can individually achieve a return on their investment by decommissioning existing services no longer required as demand reduces.

GM work on complex dependency involves a common core delivery model, based on Troubled Families ways of working and the Work Programme Leavers approach. The criteria are broader than the Troubled Families national programme and additionally includes families with younger children, mental and physical health issues, and domestic violence. Referrals are made from a range of agencies into a central assessment process. Key workers are allocated to individual cases based on the intensity of need and the presenting issues of the case. The key workers are drawn from a range of public service partners in GM. Key workers develop an action plan with the family, bringing together a bespoke package of support such as health, housing and skills interventions. Local public services make these interventions available at the right place, in the right time and right format, due to the strength of public service leadership on reform.

OUTCOMES

Evidence from the first 290 cases has shown, for example:

- Offending: 73% reduction in families with repeat offences, 86% reduction in families with repeat police incidents and 64% of families having domestic abuse issues resolved. Net of deadweight assumptions, the respective numbers are estimated to be 35%, 43% and 21%.
- Health: 64% of families experiencing an improvement in mental health, 54% a reduction in alcohol misuse and 26% reduction in drug misuse (38%, 29% and 13% net of deadweight).
- Worklessness: 9% of workless families supported back into work (6% net of deadweight), which although lower than some of the other outcomes, compares favourably to the results of the Work Programme for those furthest from the labour market.
- Safeguarding: of those children on the edge of being taken into care, 89% avoided becoming looked after. Of the Children in Need, 64% were de-escalated (26% net of deadweight). Of those children already in care, 30% were returned (6% net of deadweight).

The further working examples will build on this emerging evidence and expand delivery out to broader and deeper cohorts of families and individuals facing issues of complex dependency.

ENABLERS: WHAT HAS BEEN ESSENTIAL TO DEVELOPING AND IMPLEMENTING THE PROJECT LOCALLY?

The strength of political and officer leadership on reform has been key to the progress made to date, based on a long history of joint working in GM and mature relationships with key partners. The establishment of the GM Combined Authority in 2011 has strengthened the governance arrangements further. On reform,

individual Chief Executives of local authorities and partners take strong personal responsibility for driving key themes.

GM has strong relationships with Whitehall that have been shaped by a proven track record of delivery, for example the expansion of Manchester Airport and the Metrolink network. Investments have been made over time in the financial, analytical and evaluation capacity of the local authorities and partners, so they can take investment decisions on growth and reform based on a consistent framework and a robust evidence base. GM developed the leading Cost Benefit Analysis framework with Government through Treasury which has now been adopted by many other areas. The strength of evidence generated to date was critical to GM co-developing proposals like Work Programme Leavers with government.

CASE STUDY: WEST CHESHIRE

THEME: EARLY SUPPORT FOR FAMILIES WITH COMPLEX NEEDS

West Cheshire are a Whole Place Community Budget area. As part of this community budget approach six business cases were submitted to government relating to:

- Early Support 0-19
- Families Together (local approach to the Troubled Families programme)
- Safer Communities (tackling domestic violence)
- Work Ready Individuals (employment and skills)
- Ageing Well
- Integrated Assets

Since then they have found that many of the target groups for these interventions or work strands overlap. As a result, they moved away from themes, where this improves outcomes, and have merged the first three initiatives into one broader approach entitled 'Integrated Early Support' (or IES) which provides early intervention below the statutory level. IES is an £8million delivery model and has already supported over 400 individual cases.

WHAT ARE THEY DOING?

As part of the Whole Place Community Budget pilot, they had a local implementation team which at its height was approximately twenty members strong, with secondees from central government and local partner agencies co-located to work on integration initiatives.

Their 'Integrated Early Support' strand follows a Team Around the Family model, featuring a single front door, multi-agency triage, joint assessment and case work. When a concern is raised about an individual or family, this goes to a single front door, named the Early Support Access Team, which uses information from different agencies to create a 360 degree profile on the individual or family, capturing all the relevant issues where this is appropriate.

If the case has multiple needs and is not suitable for social care, the IES model establishes a tailored, multi-agency team for the individual or family, which might involve partners from the police, probation, the council, NHS Community Health providers, and various different council services such as education welfare, family support, independent domestic abuse advisors, and Troubled Families specialists. These teams all use a common case management system, in addition to the individual systems partners are obliged to record information on.

Their 'Work Ready Individuals' stream brings together services for those individuals that are furthest from the labour market, and their 'Ageing Well' stream includes integrated care teams based around GP practice footprints, with co-location, joint planning and assessment of cases between health and social care staff for elderly residents. This strand has also involved overcoming ICT connectivity issues so that health staff can access the relevant data they need from council buildings. Their assets programme has now mapped assets across public service agencies, and has established opportunities for co-location and rationalisation of assets such as office buildings.

OUTCOMES

- Establishment of co-located teams in 'work zone' hubs so that service users can receive wrap-around employment and skills support in one place. Over 250 people have been supported into employment through this approach.
- Established integrated care teams around GP practices with plans to expand this approach.
- To promote self care, investment in telecare and extra care provision has increased significantly.
- Management of over 400 cases through the 'Integrated Early Support' strand of work. IES has already turned around one third of troubled families in the Borough, as per the Troubled Families definition.
- Team Around the Family assessments are increasing, and the number of referrals from TAF to statutory services is reducing, which highlights the success of the work in preventing the escalation of issues.
- Mapped public assets and common ways of measuring floor space.

Enablers: what has been essential to developing and implementing the project locally?

A robust business case supported by statistics relating to the costs and benefits of the model were key to the roll out of the programme and ability to gain buy-in.

Endorsement from central government, and the Treasury, about the programme aims and benefits of the approach also helped to secure buy-in. Gaining partnership **buy-in 'from the top'** was considered crucial to the success to date. This was supported by investing time in **establishing governance and joint working arrangements** such as project groups. These helped work out

the detail of information sharing agreements and buildings for co-location, and were coupled with investment in **concerted communication** and stakeholder management.

Working out information sharing agreements was considered crucial to the success of integration. This was aided by the establishment of a **multi-agency Information Sharing Group** that developed agreements for the Early Support Access Team and Case Management teams, and involved both operational staff and information security personnel. Whilst a clear legal basis is important for tackling this issue, the biggest challenges and wins involved discussing local barriers around appetite for risk, adapting processes, and allaying fears about information sharing with **clear processes and joint training for staff**.

The investment model used by partners involved in kind investment, in terms of staff time, as well as some joint financial investment to go towards training and jointly used ICT systems, although some other models and ways to gain long term investment are being considered going forwards.

Finally, as in Greater Manchester, the team in West Cheshire felt that **moving away from integration models focussed on single issues (such as domestic abuse) to much broader initiatives** was helpful. This was because narrower initiatives risked creating new silos, and overriding the aim of integrating and tailoring support around individuals to address their multiple and individual needs.

CASE STUDY: WEST LONDON ALLIANCE

THEME: WORK AND SKILLS

The West London Alliance (WLA) is an alliance of 6 boroughs in west London (Ealing, Brent, Barnet, Harrow, Hounslow and Hillingdon). They are working with the Public Service Transformation Network, focussing wholly on skills and employment. They are still in the early phase of forming their integration work, and are working on a number of work streams:

- Skills Escalator – upskilling low paid residents to find consistent and better paid work
- Jobs Team – a locality approach to helping residents into work
- Better Opportunities for Young People – Ensuring that vulnerable young people who are NEET, or at risk of NEET are given strong support into training and work

WHAT ARE THEY DOING?

At the point of interview the WLA were in the process of completing their outline business cases and cost benefit analysis. This involved setting up an SME forum to test their proposals with businesses, and engage the private sector in the programme of work. The programme was overseen by a new Growth Programme Board which brings together the key stakeholders and Borough representatives. The WLA have also worked with the Boroughs to facilitate workshops and seminars to engage all relevant parties, map “as is” existing customer journeys, define better “to be” customer journeys and progress the development of business cases. At the point of interview they were reviewing available resources and funding streams, such as those from the Boroughs, NHS, DWP, Skill Funding Agency, BIS and the New Homes Bonus, as well as funding from the LEP and European Social Fund/European Regional Development Fund.

OUTCOMES

Since WLA are still in the early stages of their initiative, they have yet to record outcomes however they have identified key challenges in the course of developing their business cases such as the potential funding gaps for working Londoners on low wages, the need for further multi-agency effort and imaginative collaboration to help residents with mental health challenges get into and stay in work and potentially the need for greater flexibility around training schemes for more vulnerable residents. The WLA are seeking to test the pilot business cases with businesses and communities during May and

June 2014 to ensure all proposals are not simply developed based on a “supply side” approach but relate to the real economic context in which residents seek to get skills and work. Such close and focussed working between boroughs has had the added benefit of ensuring a greater degree of transfer of existing good practice and innovation.

Enablers: what has been essential to developing and implementing the project locally?

Strong **governance arrangements and leadership** are important for the WLA, where the chief executives of the boroughs have committed to working together to achieve transformations in public services. For example they have a Growth Partnership Board, chaired by the chief executive of Barnet and supported by other chief executives, who receive and consider progress reports and maintain buy-in. However the boroughs’ joint aims, principles and reporting are also coupled with flexible approach, reflecting the fact that each borough does have different local needs and existing partnerships.

The support of a **central WLA core staff team** to coordinate and lead strategically has been helpful in pushing forward on the integration agenda. They have a strategic programme lead who coordinates activity and workstreams, and brings in support from various government agencies with the support of the Public Service Transformation Network. The Programme lead is also there to provide challenge to ensure that proposals are fundamentally transformative and wrapping services around individuals and not individuals around services.

At the WLA they have found that **delving deep** in order to map existing support available in the area of work and skills and mapping out customer journeys through structured interviews is a key step before they start redesigning services. They’ve also found it helpful to work iteratively, taking their insights back to the client to test if their proposed changes would improve things for them.

At the WLA they’ve also found that **learning from others**, and utilising the support of the Public Service Transformation Network has

been a valuable enabler to development of the project. They found it helpful to meet other LAs who have done similar initiatives before, or are developing their own now. In particular they felt that conferences which discuss the practicalities of integration are helpful, not because they paint a rosy picture, but because they **inspire and maintain morale**. Learning from the wider Public Service Transformation Network has also been important to reduce duplication, and make use of evidence already gathered by other areas in the past.

Finally the WLA have found it helpful **to facilitate central joint work sessions** for those involved in the project. This means that staff leading in their different organisations take time out of their 'day job' to work together, and by doing so work far more productively on integration than they would otherwise.

CASE STUDY: LEWISHAM, LAMBETH AND SOUTHWARK

THEME: WORK AND SKILLS

The three boroughs want to ensure that the unemployed with the most complex needs get the right intervention at the right time and in the right order to ensure the best employability outcomes at the lowest cost. They will use the introduction of Universal Credit as the single referral system into employability support across the three boroughs.

WHAT ARE THEY DOING?

Lewisham learnt from its Universal Credit pilot that many of those making applications had multiple problems, for instance, debt, housing issues, low skills and mental health issues. This meant that in practice, referring these individuals on to other agencies to deal with these needs was too complex for the individual and difficult for the agency to ensure that their issue was dealt with.

They identified that they could develop a more seamless system, where the local authority and JobCentre Plus work together to develop an

access point into multi-agency services, and where services come together to rally around the individual would be a better approach to work and skills. The ethos of this new system is that if an individual presents with mental health issues and skills development needs, for instance, the authority should deal with the mental health issue first. For the authority it is about dealing with issues in the right order to ensure that when the individual does go on to do CV and skills courses, they are in a position to be able to engage with this successfully.

The aims of this project are to:

- Agree with JCP locally who needs face to face help with Universal credit application.
- Have a single access point into Universal Credit for the most complex and hard to help clients (the Local Support Services Framework).
- Ensure that those doing the assessment/triage can support the clients into a joined up pathway to employment.
- Agree with Work Programme Providers which clients would best be helped to employment by the local employment provision.
- Designing single pathways into work across agencies.

The outcomes for this project are to get higher numbers of individuals into work, whilst also tackling underlying issues such as mental health and housing problems. The authorities are also tackling duplication in service provision and processes in order to streamline services and funding between the three local authorities, which will lead to budget savings.

Enablers: what has been essential to developing and implementing this project locally?

Shared vision and strong political leadership through agreement between the two council leaders and the directly elected mayor on the project was the first step in driving the programme forward. It was also important that rather than focussing on delivery structures, they began with **broad principles** of the project and what they

wanted to achieve – delving into delivery structures too soon can stymie plans. They started with something small, to **develop trust** by identifying an area of work that would bring benefits to each of the boroughs and built on the work already in place and the experience of Lewisham through their Universal Credit Pilot. Developing **strong local relationships** enabled the politicians to agree to the principles of the project and the benefits for the councils, which ensured that there was a very clear message from the top of the organisations that this way of working was to be taken forward. **Working with a group of the willing** was an important step in aligning the motivations of the organisations and tackling issues with those who were fearful of change.

Developing an understanding of what would **incentivise the engagement and involvement of partners** was crucial in securing the engagement of Job Centre Plus. Dealing with three different local authorities and three different approaches to skills and employment services was an undesirable system, so anything to streamline this approach and make it easier for JCP to work was a clear way to engage them in the project. Maximising the opportunity of an external policy change (the introduction of Universal credit) was also crucial in providing a focus for joint work.

CASE STUDY: SWINDON BOROUGH COUNCIL

THEME: TROUBLED FAMILIES

Working with the Government’s Public Service Transformation Network, One Swindon is transforming local public services through a partnership between Swindon’s public, private, voluntary and community sectors. One Swindon is a change programme to improve outcomes across three priority areas whilst also delivering 20-25 per cent of the total local public service savings target over three years. The learning from the Swindon Life Project which worked with a small number of families to design services and interventions around their specific needs has been incorporated into this.

WHAT ARE THEY DOING?

Swindon have set some very challenging objectives around service integration, and have developed six major change programmes, three of which have a strong integration focus: reshaping adult demand, strengthening families, and growing the local economy.

They are approaching One Swindon through three main routes:

- **Learning by doing** – they are quickly applying innovative business cases on the ground at a small scale and following this with rigorous evaluation. Following the evaluation they then take a view on whether to scale up and mainstream the work or cease activities if it isn't working.
- **Developing their collective capacity and capability to transform** – Swindon are investing £1.8 million in a One Swindon Transformation Hub, which is a partnership between the council, CCG, police and the Public Service Transformation Network that brings the necessary capacity and capability to transform at pace and scale.
- **Whole system re-design** – through the investment that Swindon have made in the hub, they are leading systems thinking workshops with frontline staff and customers to understand what opportunity there might be for designing systems completely differently to improve outcomes and reduce cost.

As part of One Swindon approach to the Strengthening Families change programme, Swindon had developed and established the Life Programme – a service developed with all partners in Swindon – which worked with families with complex needs intensively to transform their outcomes by engaging them in service co-production. The ethos of the programme is that it involves families so that they are part of designing a service solution that is right for their needs and appreciates their assets – and this will revolve around the family, rather than the organisations and services that they interact with. This programme is also about reducing the number of people working

with families and enabling and empowering the families themselves to develop their own solutions and drive change. Swindon have taken the learning from the Life project into the implementation of Troubled Families and looking at how this approach to working can be applied elsewhere and mainstreamed across the place.

OUTCOMES

Swindon have outlined a series of outcomes delivered through this way of working. This includes:

- Swindon anticipated, through an early social return on investment evaluation of the Life Programme that for every £1 they invested, the social return on this investment will be £7.95 in savings.
- Strengthened understanding of how to work differently with families with complex needs – leading to better outcomes for these families and reducing what one worker described as the ‘Gyroscope Effect’ of a range of services spinning around the family with little or no change experienced by the family.
- Families themselves recognising the assets and responsibility that they have to make a contribution to making their lives better.

Enablers: what has been essential to developing and implementing this project locally?

Swindon have created a **culture where it is encouraged to experiment and take risks** with something small in order to see whether a new approach to working will deliver better results. The key to this has been to learn from these experiments in a **learning by doing** approach. **Building capacity** into the system **for transformation** projects and as part of the day job has been essential in giving managers the time and space to experiment and develop new ideas.

Swindon ensured that partners were on board with this new way of working by taking the time to work with them so they understood

the **costs and benefits** of the new approach. They also encouraged them to see for themselves the benefits of a different way of working by involving them in small projects before scaling them up. Not only did this demonstrate to partners first-hand what it would take to work differently, but it also brought **collective resourcing** to the table to make change happen in a sustainable way.

Service integration is the most exciting game in town for local public services, providing a path to improved outcomes for communities and reductions in the cost of delivery. Government has made it clear that taking forward integrated working must be done locally; but progress and pace of change to date has been slow. Councils and their local partners are facing a series of barriers which are preventing them from acting.

This report focuses on what local areas can do themselves to transform, and how central government can support this. What we really need is radical change of relationships at a local level, and to support areas to catalyse this process of building better partnerships.