

Total Place – Discussion Paper

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Centre for Construction Innovation

School of the Built Environment

University of Salford

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Executive Summary

Total Place – Pooling public money

Total Place was a Labour Government initiative which started last year in April 2009 in Richard's work Operational Efficiency Programme, which looked at the scope for efficiency savings in the public sector. It initially started with 13 pilot areas across England and was set up as a new direction for local public services and local authorities with a certain amount of flexibility that defined a new relationship with the Government. The initiative aimed to bring together elements of central government and local agencies within a place – hence the name 'Total Place'. It aimed to show how a place-based approach to local public services could deliver better outcomes and improved value for money. It placed local authorities and their partners at the forefront to assess the local public service spending, eliminate waste and reduce duplication of work to focus on people and their needs. In total the 13 pilots mapped £82 billion of public spending within their areas, which is about one-fifth of the total public spending in England. The estimated total amount of all public spend not just for the pilot themes varied from £2.2 billion in Lewisham to £22 billion in the Manchester city-region pilot, the later being the biggest pilot in England. A wide range of themes were chosen for the pilot areas from children's services to worklessness, housing, drugs and alcohol misuse and offender management. The pilots have proved that real savings are possible through the Total Place scheme and of the benefits possible from strong local leadership. However, according to a Publicnet survey, it was shown that most public bodies knew nothing about Total Place, because Whitehall departments remained silent. Other than the 13 pilot areas, the Total Place initiative was not publicised very well.

The Single Offer and the Innovative Policy Offer

The Government will develop a '**Single Offer**' for the highest performing places with strong partnership arrangements. This will be done to identify how radical freedom and flexibilities can deliver significant improvements in outcomes and greater savings. The Total Place approach is intended to test these ideas, and the places which demonstrate high performance will be invited to make an 'offer' to Government for how they can deliver better outcomes and additional savings by re-designing services around users of public services in line with the Total Place approach. These offers will initially identify the scope of the proposal, a comparatively small number of locally-defined outcomes (up to 10) for which services could be redesigned to deliver better results against the set targets. Local authorities should be able to demonstrate an effective cost-benefit analysis to justify the need for the proposal at the same time engaging with the communities and the third sector in design and delivery. There should be clear evidence of partnership and use of appropriate pooled or aligned budget arrangements that outlines accountability arrangements, governance, funding structures and a local memorandum of understanding across local organisations.

The Government and the places will work together to co-design the agreed Single Offer and mutually agreed approaches will be incorporated into agreements between the Government

and the places. This was expected to come into force from April 2011, just originates from the previous Government. Such places would benefit from using resources flexibly and reducing burdens on the frontline. The Single Offers was predicted to run for a period of 3 years with an interim report for the 2012 Budget.

For partners who might not be eligible for the Single Policy Offer, but shows evidence of strong partnership working or strong performance in particular policy areas would be able to make a similar proposal which could then be taken forward in the same way. This is the **Innovative Policy Offer** and primarily focuses on strong performance on particular policy domains.

Other Total Place services

As of now, with the change in Government, the Total Place initiative is officially not continuing under the 'Total Place' banner and there is a high probability that it will be rebranded and redefined to meet changing priorities. Nevertheless, the general philosophy and budget benefits are considered to be useful to the new Government's agenda. Currently, in the Manchester city region, the Total Place pilot initiative is being continued under the city region pilot.

The pilots nationally have the potential to extend their field trials especially in looking into co-designing approaches to worklessness. The other areas where Government support might be available are looking into Total capital and asset pathfinders in the regions to improve capital investments and transform services, or to develop new approaches to using cost-benefit analysis tools to test proposals for local 'productivity funds' to increase places' freedom to support investment in preventive actions. These are the areas where Manchester City Council could likely position themselves to work with local partners and agencies.

Future work options for CCI and University of Salford

The University of Salford was involved in the Total Place Manchester city region and Warrington pilot scheme in undertaking research into setting standards to reduce health inequalities. It looked at the delivery of health services emphasizing the role of prevention action ensuring children have the best opportunity to reach their full potential. The University's continuous involvement in this instance is very likely, and this could possibly lead to increased partnership with local organisations and other research activities.

The previous Government's March 2010 Budget made it clear that the Young Person's Guarantee of a job, training or work experience underpinned by the Future Jobs Fund, will be extended into 2011-2012. However, the new Government announced on May 2010, the closure of the Future Jobs Fund, and further details are expected to be announced on the 22nd June 2010 Budget statement. A key strategic objective would be to get as many young people not in education, employment or training as possible back to work within the construction industry for at least a period of 1-3 years. There are one quarter of a million

unemployed people in the Manchester city region. As it evident, people who are on benefits are a cost to the economy and have added implications in the loss of tax revenue.

Total Place - A whole area approach to public services

What is Total Place?

Total Place was launched in the 2009 Budget, by the Treasury in April 2009 in Bichard's work Operational Efficiency Programme, which looked at the scope for efficiency savings in the public sector. This initiative initially started back in June 2009 and was led by Communities and Local Government, Department for Central Government. It enables a redesign of the way public services are planned and delivered by a multitude of public bodies all in the same area. It aims to deliver better services at less cost and used the 'customer insight' methodology to redesign services around the needs of the citizens. This was a new direction for local public services and new freedoms from central control. This was based on the work in 2009 by 63 local authorities, 34 primary care trusts, 13 police authorities and other partners and more than 70 other local areas engaged in similar work. The aim was to break the existing top down departmental models and cultures of accountability and service delivery.

The initiative incorporated the following objectives and features:

- Deliver better value for money
- Local services tailored to local needs
- Improve the quality of life across England
- Budget cutting initiative
- Launched 13 pilots across England in June 2009. The pilots had a population of more than 11 million people and more than £82 billion of public spending in their areas.
- The local Council is driving this initiative and will have the final say as to how they could provide services for less money (e.g how much money to spend on regeneration, transport and housing)
- A Total Place joint Progress Committee was in place to monitor the programme
- There was a new leadership collaborative leadership committee to drive leadership across the public sector.

The initiative was steered by a ministerial group where all the departments were represented with the aim to bring together elements of central Govt and local agencies within a place to achieve the three prime aims:

- Create service transformations that can improve the experience of local residents and deliver better value.
- Deliver early efficiencies to validate the work.
- Develop a body of knowledge about how more effective cross agency working can deliver the above.

The Total Place initiative was aimed to benefit from the Smarter Government commitments on de-ringfencing, streamlining funding and reducing burdens. The HM Treasury final report on Total Place , March 2010 highlighted the aims to establish:

- New freedoms from central performance and financial controls – further reductions in ring-fences, indicators and burdens for places that agree to deliver improved outcomes and additional savings, through a ‘Single Offer’ for the strongest performing places and an ‘Innovative Policy Offer’ for places with particular thematic strengths. These offers were to be co-designed by places and Government and is expected to be launched from April 2011 by the previous Government;
- New freedoms to collaborate – 11 Total Capital and Asset Pathfinders across the country, support for local partnerships to use pooled individual budgets, and for joint working between local authorities and Job Centre Plus and Primary Care Trusts;
- New freedoms for places to invest in prevention – trialing the first social impact bonds, repeating the Community Cash back scheme, and developing Neighbourhood Agreements to support safer neighbourhoods; and
- New freedoms to drive growth – including devolution to regions, cities and localities to drive growth and inclusion through the recovery, and new flexibility for places to shape spending on skills

The Total Place initiative’s stated purpose was to empower local government with the opportunity to shape and develop the landscape by working creatively, and delivering better experiences for the people in each local area.

Background

In 1972, a Whitehall initiative attempted to examine the total resources used in six cities, and came up with a plan to "transform" them¹. The main idea behind this was that only a root and branch review of local government expenditure would have the necessary scope to find innovative solutions to streamlining government services, promoting partnership working and, crucially, save money and increase efficiency. The need to develop a Total Place initiative was primarily developed to offer help to leaders in a time of severe fiscal crisis. The concept was one of managing the complexity in local service provision and the national Government policy aim to create a shift to outcomes and the customer experience. An innovative approach to produce better customer experience would lead to a better deal for the tax payer, it was claimed.

In early 2009, a note titled ‘Responding to the Downturn: Local leadership of place and efficiency’, was developed and presented to senior civil servants and ministers. The Leadership Centre for Local Government was involved in the initial stages around systemic change and the nature of changing culture. The programme was developed and a governance arrangement that logically lead across the CLG and HMT and the natural incorporation of this with Lord Bichard’s work on the OEP and customer design was also incorporated. Before the concept of Total Place was launched there were moves towards more coherent joined up working. More partnering work was emphasised by the introduction of Local Area Agreements and the pooling of funds in the Area Based Grant. Along with this there was a focus on leadership, and particularly leadership of places rather than

¹ ‘Overlapping interests - Total Place is a new initiative to examine how cutting out duplication in public service delivery can improve quality and reduce costs. But is this really a ‘magic bullet’ solution? A report by Mark Smith, available at <http://www.guardianpublic.co.uk/total-place-audit-commission-roundtable>

organisations supported the space and therefore needing to work, think and lead differently. The Leadership Centre for Local Government developed two critical elements: a strong set of relationships around local government and some individuals in Whitehall, and an understanding of place and public service operations from a systemic view point. These informed conversations between the Leadership Centre and the Department of Communities and Local Government at the end of 2008 and beginning of 2009 fed into a paper called Responding to the Downturn: Local leadership of place and efficiency. This was the embryo of Total Place initiative. The 2009 Budget included mention of the Total Place programme and the Total Place approach was outlined in the Operational Efficiency report by Lord Michael Bichard in April 2009.

Operational and Efficiency Programme

Bichard's operational and efficiency programme was launched in July 2008 as part of a year long programme examining operational spending in the public sector. The scope of the report was applied to all the organisations within the wider public sector with an aim to examine efficiency, improve performance and greater partnership working at a local level, which would empower citizens to help shape the service that they used. There were many challenges given the diminishing public sector finances and the anticipated significant cuts in public expenditure. The report emphasised that an effective collaboration was a means to achieve savings by removing duplication, identifying new ways of delivering service through joint innovation, investing in services that would reduce costs of other services even if cost benefits fall to different organisations. Better targeting of spend towards priorities and improved strategic commissioning as well as reducing overheads by the joining together of management structures.

It was concluded that the Leadership Centre's work looking at a whole area approach was commended as a successful model to potentially deliver the objectives discussed above. The initial recommendation that 13 pilot areas would be chosen to examine ways to eliminate barriers to joint working, increase incentives and provide a better service for less cost. This was facilitated by high level ministerial engagement to ensure that issues were swiftly addressed by Government without delay. The report initially referred to two pieces of work that suggested a new option and the space for Total Place: The Leadership Centres work in Cumbria- Calling and Counting Cumbria and the - Birmingham Public Expenditure and Investment Study².

Local Area Agreements (LAAs)

In 2006, the Local area Agreements (LAAs) programme was launched, creating a new contract between central and local government to deliver the priorities of local people. The main idea behind was to encourage the delivery of shared goals and partnerships through strong local leadership with effective support from the Whitehall. In this way, the LAA process was predicted to reduce and minimise bureaucracy and maximise delivery thereby achieving greater efficiencies allowing local authorities and their partners to work in a joined up way to meet the challenges in the local areas. The LAA process brought together local

² www.hm-treasury.gov.uk/vfm_operational_efficiency.htm

ambition, knowledge and understanding to achieve the local priorities and it signified a major change in the way that central and local government worked together and helped to provide a new way of ensuring better outcomes for citizens as well as improved public services.

Area Based Grant

In 2008 the Central Government reduced the number of ring fenced budgets and ‘pooled’ a number of revenue streams into the Area Based Grant to local authorities in order to improve flexibility and help deliver the LAA outcomes. The idea was to increase the local authority’s flexibility over the use of their mainstream budgets and to improve stability by allocating budgets on a three year basis.

Total Place’s two strands

The work weaves together two complementary strands. A ‘counting’ process which maps money flowing through the place (from central and local bodies) and with it a ‘linking’ process between services, to identify where public money can be spent more efficiently and effectively. This is grounded alongside the second strand of ‘culture’ to look at the way things are done in the local area and how that helps or hinders what is trying to be achieved.

How did it all start?

Timeframe	Total Place scheme
Early 2009	<p>Responding to the Downturn: Local Leadership of Place & Efficiency – developed and presented to civil servants and ministers.</p> <p>The initiative was co-led from the CLG and Treasury within Whitehall.</p> <p>This led to the Operational Efficiency Programme</p>
March 2009	Meeting of office holders at the LGA to support the Centre on Total Place.
April 2009	<p>Pilot places were selected quickly over a series of phone calls (too quick for some). ³Pilots were asked to choose their own theme in terms of where the energy was. This was different from how government initiatives worked earlier.</p> <p>Initial reactions - Some concerns as to whether this was just another initiative or something different.</p> <p>There was more impetus for linked initiatives and focus on more partnership working on the frontline (joining up of work on culture and financials as part of one exercise). There was still confusion as to why this initiative was called 'Total Place' when it was to do with efficiency and public services.</p>
May – June 2009	<p>In all 13 pilot places were selected and local pilot teams were established.</p> <p>Leadership Centre assisted by Local teams provided a list of 'programme leads' to co-ordinate the embryonic stages of the pilot.</p>
June – Aug 2009	<p>Counting aspects of the project. CLG workshop involving delegates from pilot areas, HMT, Audit Commission.</p> <p>Methodology was proposed. However, each pilot area had the choice to develop their own with consultation from partners.</p> <p>Development of partnerships in the pilot areas, and themes were chosen. Initial talks using LAA themes to focus the most important issue. However some used the LSP's to decide their themes.</p> <p>Customer Insight Work led by IDeA and took the form of review of the customer insight work that was going on within the pilot. This later developed into the pilot case studies in March 2010.</p>
March 2010	Treasury Summary Report with input from the Leadership Centre and CLG.

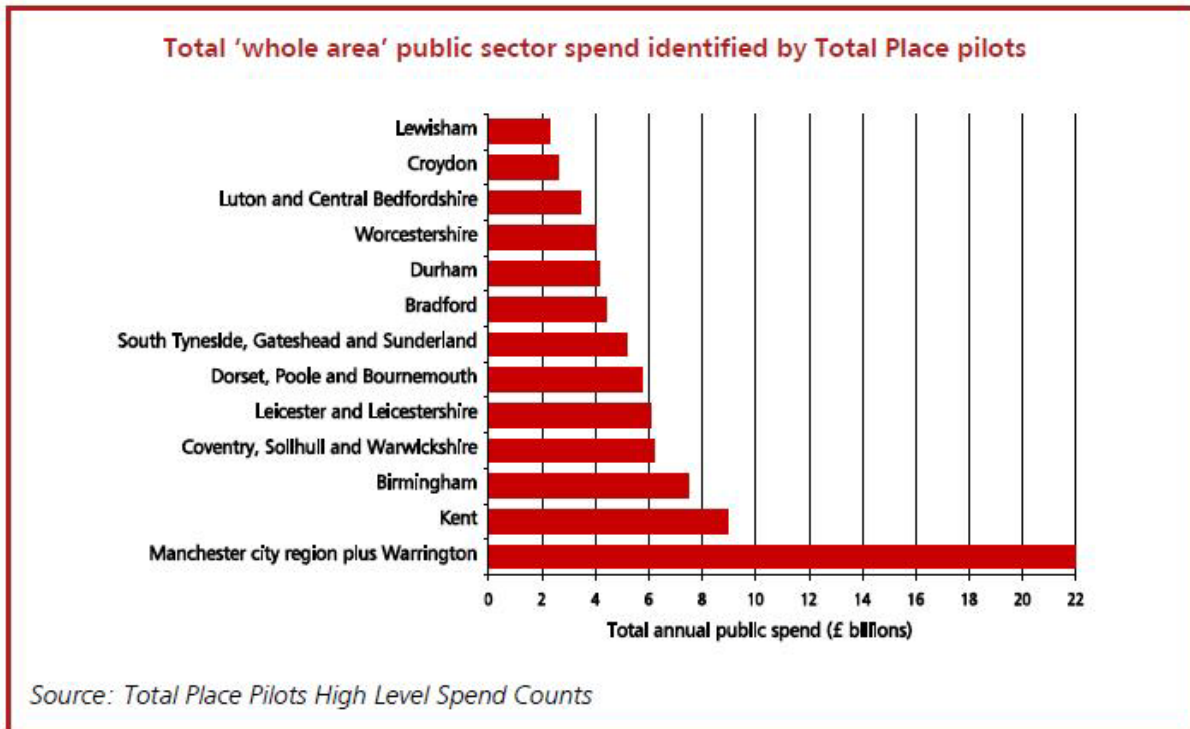
³ Source: Confidential interviews

Pilots

Thirteen pilots projects were launched across England in June 2009, covering 63 local authorities, 34 primary care trusts, 12 fire authorities and 13 police authorities, to take a look at what money is coming to the area, the obstacles that make funding difficult to go further, complexities within the system and how to strip out the inefficiencies and wastages. In total the 13 pilots mapped £82 billion of public spending within their areas, which is about one-fifth of the total public spending in England. The estimated total amount of spend varied from £2.2 billion in Lewisham to £22 billion in the Manchester city-region pilot, the later being the biggest pilot in England⁴, but this does not cover all public expenditure, not just the themes selected.

The difference of the amount spend differed from one area to another due to places choosing to use different counting methodologies, and the differences also reflected the higher levels of social security payments in areas with higher deprivation, and other social, economic and geographic differences across the pilots. Other inconsistencies across different places included social security, education and health which together made up over 70 per cent of total spend in each of the pilot areas.

Table 1: Total ‘whole area’ public sector spend by Total Place pilots



The table 2 below shows the theme groups across the 13 pilot areas.

⁴ Nuala o'Rourke from the Wigan City Council was leading this initiative.

Table 2: Theme groups across Total Place

Theme Group	Themes	Pilots	Lead departments
Alcohol and drugs	Alcohol and drugs	<ul style="list-style-type: none"> • Birmingham • Leicestershire • South Tyneside, Gateshead and Sunderland 	<ul style="list-style-type: none"> • Home Office • Dept of Health
Health and social care	Older peoples' services	<ul style="list-style-type: none"> • Dorset • Poole • Bournemouth 	<ul style="list-style-type: none"> • Dept of Health
	Mental health	<ul style="list-style-type: none"> • Birmingham • Leicester and Leicestershire 	<ul style="list-style-type: none"> • Dept of Health
	Learning disabilities	<ul style="list-style-type: none"> • Birmingham 	<ul style="list-style-type: none"> • Dept of Health
	Health inequalities	<ul style="list-style-type: none"> • South Tyneside, Gateshead and Sunderland 	<ul style="list-style-type: none"> • Dept of Health
Children	Young people leaving care	<ul style="list-style-type: none"> • Birmingham 	<ul style="list-style-type: none"> • Dept for Children Schools and Family • Dept of Health
	Children's health and wellbeing	<ul style="list-style-type: none"> • Croydon 	<ul style="list-style-type: none"> • Dept for Children Schools and Family • Dept of Health
	Childrens' services and social care	<ul style="list-style-type: none"> • Coventry, Solihull and Warwickshire 	<ul style="list-style-type: none"> • Dept for Children Schools and Family • Dept of Health
	0-5 year olds	<ul style="list-style-type: none"> • Manchester 	<ul style="list-style-type: none"> • Dept for Children Schools and Family • Dept of Health
Crime	Guns and gangs	<ul style="list-style-type: none"> • Birmingham 	<ul style="list-style-type: none"> • Home Office • Ministry of Justice
	Offender management	<ul style="list-style-type: none"> • Bradford • Lewisham 	<ul style="list-style-type: none"> • Home Office • Ministry of Justice
	Minimising reoffending	<ul style="list-style-type: none"> • Lewisham 	<ul style="list-style-type: none"> • Home Office • Ministry of Justice
	Crime and anti-social behaviour	<ul style="list-style-type: none"> • South Tyneside, Gateshead and Sunderland 	<ul style="list-style-type: none"> • Home Office • Ministry of Justice

High cost communities	Margate Taskforce	<ul style="list-style-type: none"> • Kent 	<ul style="list-style-type: none"> • Communities and Local Govt • Home Office • Dept Health • Dept for Children Schools and Families • Ministry of Justice
	High-deprivation neighbourhoods	<ul style="list-style-type: none"> • Birmingham 	<ul style="list-style-type: none"> • Communities and Local Govt • Home Office • Dept Health • Dept for Children Schools and Families • Ministry of Justice
	High contact families	<ul style="list-style-type: none"> • Central Bedfordshire and Luton 	<ul style="list-style-type: none"> • Communities and Local Govt • Home Office • Dept Health • Dept for Children Schools and Families • Ministry of Justice
Young people and employment	Worklessness and young people	<ul style="list-style-type: none"> • Lewisham • Worcestershire 	<ul style="list-style-type: none"> • Communities and Local Government • Dept for Business, Innovation and Skills
	Young people's lifestyle choices	<ul style="list-style-type: none"> • South Tyneside, Gateshead and Sunderland 	<ul style="list-style-type: none"> • Communities and Local Government • Dept for Business, Innovation and Skills
	Asset management	<ul style="list-style-type: none"> • Kent 	<ul style="list-style-type: none"> • Communities and Local Government • Dept for Business, Innovation and Skills
	Housing and regeneration	<ul style="list-style-type: none"> • Durham 	<ul style="list-style-type: none"> • Communities and Local Government • Dept for Business, Innovation and Skills
	Customer access	<ul style="list-style-type: none"> • Kent • Bradford 	<ul style="list-style-type: none"> • Communities and Local Government • Dept for Business, Innovation and Skills
	Procurement	<ul style="list-style-type: none"> • Lewisham 	<ul style="list-style-type: none"> • Communities and Local Government • Dept for Business, Innovation and Skills

Source: Leadership Centre for Local Government

The organisations involved:

The Total Place initiative was overseen by a Ministerial group and a high-level officials' group which included representatives from the LGA, delivery agencies from the pilot places and the significant spend departments, including HM Treasury. The Leadership Centre for Local Government was also working with the pilot areas on behalf of the LGA Group to help them deliver the best outcomes for people. The CLG also involved Tribal Consulting to work with pilots on aspects of customer insight and counting work and the pilots were also supported by the IDeA and Government Office network to capture and share information and link up places undertaking similar work.

Key Government Departments (including Treasury, Health, Work and Pensions, Home Office) are working closely with the following organisations:

- Leadership Centre for Local Government – lead contact Nicky De Beer, central Project Manager for the Total Place Programme.
- the Regional Improvement and Efficiency Partnerships (RIEPs),
- the Government Office (GO) network , the Improvement and
- Development Agency (IDeA), and
- Chief Executives and Leaders from each local authority, Primary Care Trusts, Jobcentre Plus, the Police and all other partners in the Local Strategic Partnership (LSP).

The Leadership Centre for Local Government supported the pilots on behalf of the LGA group in terms of providing practical support and coordination for the 13 pilots areas. They were also primarily responsible for sharing and managing knowledge, helping in the learning and strengthening networks between the different organisations involved.

The Improvement and Development Agency along with the Leadership Centre also supported the learning and knowledge-sharing aspects of Total Place, particularly through their National Advisors. The Ministerial group, chaired by Secretary of State for Communities and Local Government department (CLG), was responsible for ensuring that the barriers and incentives for joint working were addressed swiftly and effectively and to drive forward action across Government. Membership included the Chief Secretary to the Treasury, Communities and Local Government, Minister for the Cabinet Office, LGA (Chairman Cllr Margaret Eaton or Cllr David Parsons). Plus the Secretaries of State from other spend departments such as HO, DWP, DCSF, DH. There was also the High-level officials' group which was chaired by Lord Bichard, and met every month. The principal role of the group was to support and provide oversight for the work of Total Place at the national level. They were responsible for assessing the findings at the local level, ensure that interdependencies were identified and addressed, and ensured that the project had full support across central government.

The standing agenda for the group generally included:

- Highlighting key achievements within the past period; the action plan and outlook for the next period; and progress against key milestones
- Reflecting and learning from the progress of the work in the 13 pilot areas
- Looking at the opportunities and resolving problems highlighted at the local level
- Assessing key programmes risks and issues, ensuring that adequate resourcing is in place to ensure the programme objectives were met

- Updating the development of key milestones (particularly Pre-Budget Report and Budget reports)
- Reviewing interdependencies between Total Place and other areas of work to ensure a joined-up approach and solutions.

The Government Offices in each pilot region were also asked to act on behalf of Government to provide support and challenge via a named lead to facilitate the support of all public sector agencies with the project. Their role was more of a consultee throughout the duration of the project. The Government Office network primarily acted for Government in regions and localities, for regions and localities in Government, by building partnerships and supporting the director-general ‘champions’ for each pilot place. They worked with partners, including the Regional Improvement and Efficiency Partnerships and the Improvement and Development Agency, to raise awareness amongst Local Strategic Partnerships and Authorities on Total Place. They were responsible for supporting those Partnerships who wished to engage further by providing links to national work. In particular the aim was to offer a dynamic support to engage the support and contributions from local, regional and national public sector agencies. Enabling good links with the Whitehall was also a key responsibility for each Government office.

Figure 1 – Total Place: connecting local councilors with their communities supported by different organisations

The following figure illustrates the process for the initial phase of a Total Place intervention, lasting around 10 weeks before undertaking a programme of agreed ongoing actions.

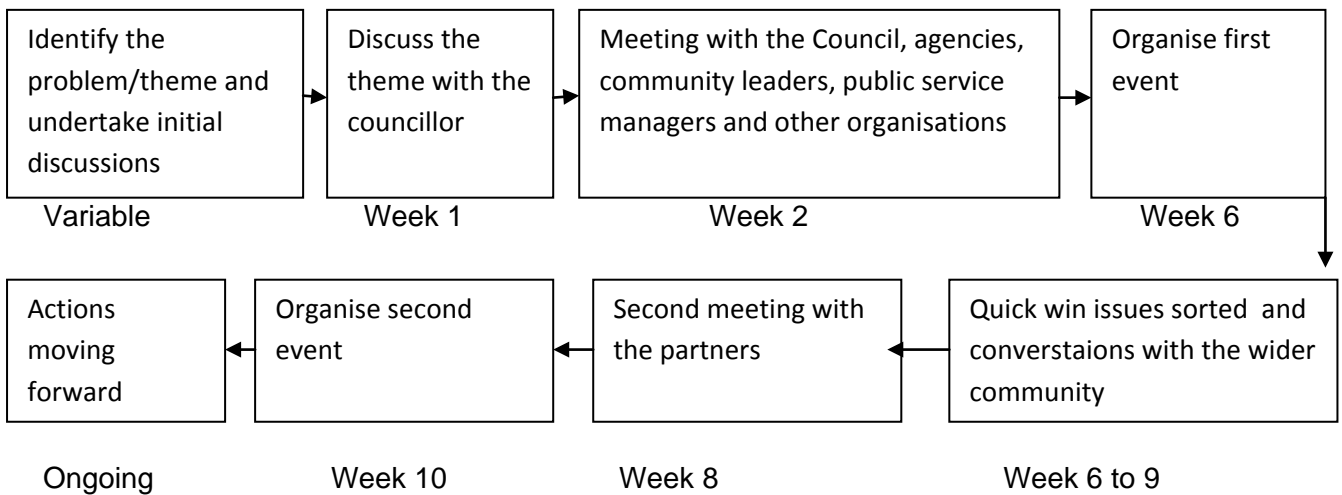
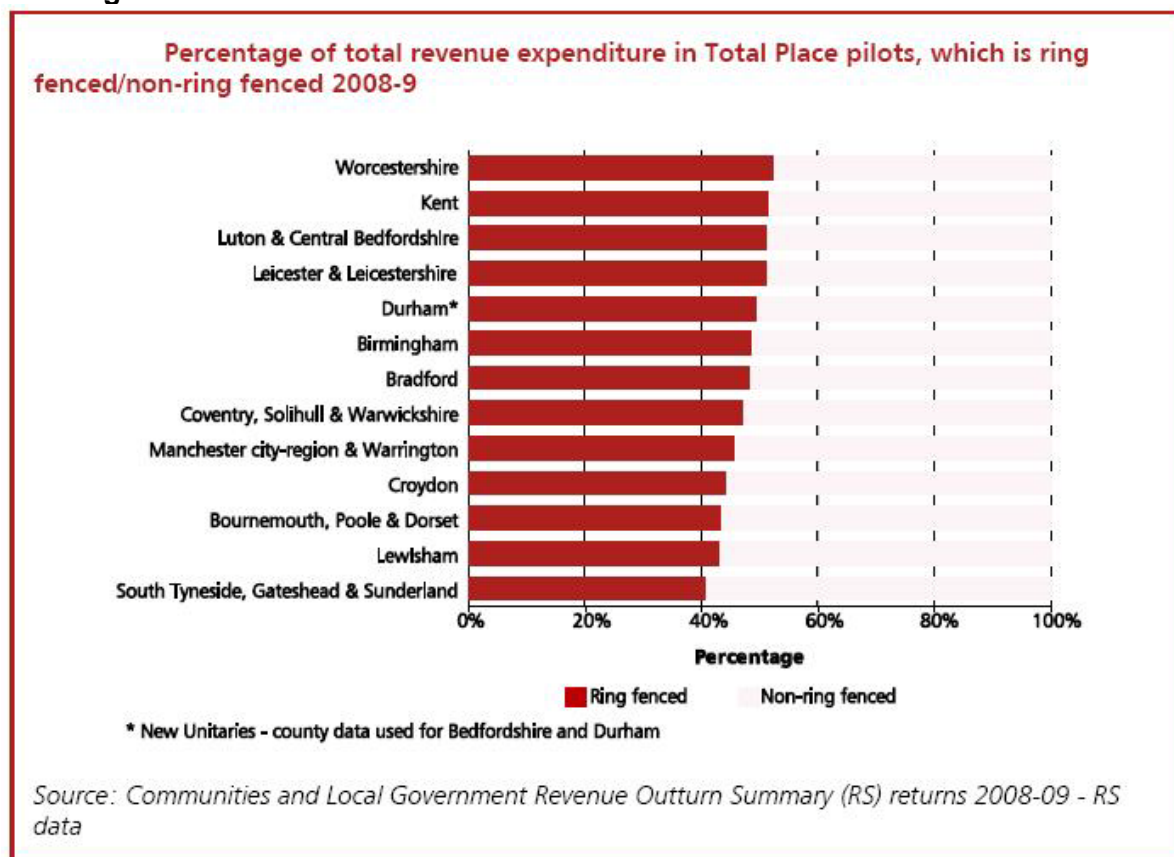


Table 3: Percentage of total revenue expenditure in Total Place pilots, ring-fenced and non-ring fenced

Manchester City Region choose the 'Early Years' of children aged 0-5 years as the theme for its Total Place work and this aligned with the Early Years strand of the Statutory City Region whose work stream aimed to radically improve the Early Years experience for hard to reach groups particularly in the most deprived areas. It was planned that the framework and approach developed in taking forward the Early Years theme could equally be applied to other themes. In this way it was anticipated that from Total Place and Statutory City Region work, there might be a simple approach to research, evidence and evaluation in order to reduce duplication, enable comparison and most importantly realign service delivery in partnership with the customer.

Methodology

The methodology was made available to pilot areas towards the end of June, 2009 from the Local Leadership Centre. It consisted of a fairly straightforward spreadsheet which listed all of the various funding and delivery agencies who appeared in a place. The pilots were then asked to populate the spreadsheet with their own figures. HMT also provided a table with the Classification of the Functions of the Government (COFOG), which are classifications of spend for those places who wanted to classify their count using those definitions. However some areas chose to use the Chartered Institute of Public Finance and Authority (CIPFA) classifications and others classified under LAA themes. There was no single way of doing the count and pilots chose the best way for them.

Savings

The main areas for potential savings according to the pilots included the following:

- frontline services – redesigning processes around citizens
- back office and support functions
- shared management and joint working arrangements
- reduced costs to society from better outcomes, and
- redesigning services with the local community.

Cost Benefit Analysis

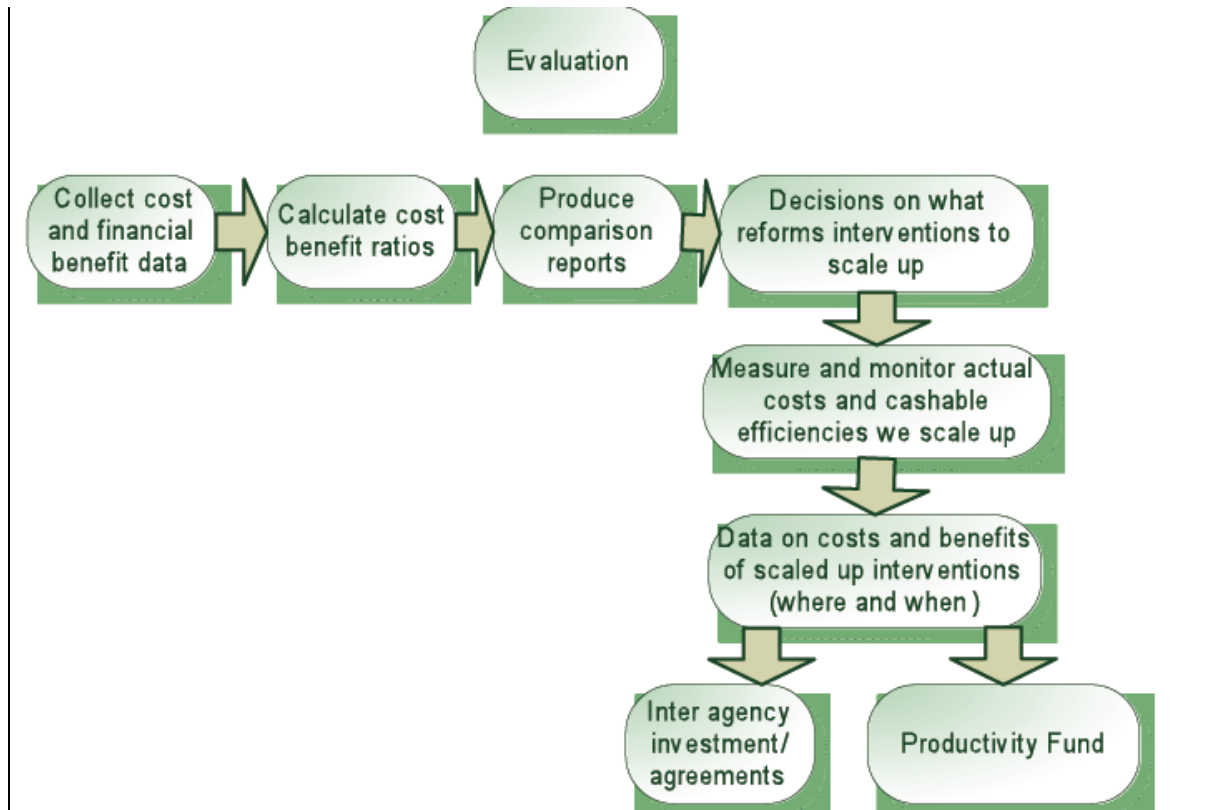
A Cost-Benefit Analysis (CBA) which estimates and totals up the equivalent money value of the benefits and costs to the proposed projects to establish whether they are worthwhile is essential in the total Place pilot scheme. All the pilot areas were primarily aiming to focus on reducing the drivers of demand in dependency, deprivation and promoting economic productivity, skills and growth. The aim was that more people would be able to benefit and contribute to growth and economic prosperity. A few common themes that emerged as a result of the cost-benefit analysis in the different pilot areas were as follows:

- with regards to place - tracking costs and benefits of reforms in different types of neighborhoods and how this restricts confidence to invest in the best interventions at an effective scale and disinvest in services which are less effective.
- restrictions for agencies – Agencies lack the incentive to invest in reforms that directly benefitted other agencies and increased their efficiencies, and
- Additional funding due to time lag – this might be an issue especially when it is hard to invest in an early intervention and prevention to reduce demand for expensive interventions in the future.

The CLG, HMT and the local authorities in the pilot areas started working together to develop an evaluation framework under the city –region agreement/Total Place from April 2010. This involved collection of costs and financial benefits for Total Place and the city region pilots. This is planned to give a better idea on which reforms needed to be scaled up, The actual costs and cashable efficiencies⁵ were also due to be measured and monitored. This would then provide a clearer picture on where the costs and benefits fall within the public sector system.

The chart below gives a clear picture of the cost-benefit analysis and the basis for a 'Productivity fund'.

⁵ For cashable efficiencies, please refer to appendix 3 for details.



Concerns and issues that arose from the pilots:

The main issues that came out of these pilots were as follows:

- questions about where efficiency savings will go...
- questions as to if one local agency invests the other can save...
- who benefits from the savings and or the efficiencies – most of the savings seemed to be in health and there is a different set of budgets for that, and
- Issues about scaling up the Total Place approach.

Future work for University of Salford

The University of Salford was involved in the Total Place Manchester city region and Warrington pilot scheme by undertaking some research into setting standards to reduce health inequalities. It looked at the delivery of health services emphasizing the role of prevention action ensuring children have the best opportunity to reach their full potential. Although the Total Place initiative was a previous Government's initiative, it is still of interest based on conversations with Manchester City Council, the Total Place project lead for the Manchester region, and with members at the Leadership Centre. The initiative is most likely to be rebranded and refocused, but is likely to continue.

The HM Treasury final Report published in March 2010 mentioned that the previous Government intended to develop a '**Single Offer**' for the highest performing places with strong partnership arrangements. This would be done to identify how radical freedom and flexibilities could deliver significant improvements in outcomes and greater savings. The Total Place approach would test these ideas and the places which demonstrate high performance will be invited to make an 'offer' to Government for how they would deliver better outcomes and additional savings by re-designing services around users of public services in line with the Total Place approach. These offers would initially identify the scope of the proposal, a comparatively small number of locally-defined outcomes (up to 10) for which services could be redesigned to deliver better results against the set targets. Local authorities should be able to demonstrate an effective cost-benefit analysis to justify the need for the proposal at the same time engaging with the communities and the third sector in design and delivery. There should be clear evidence of partnership and use of appropriate pooled or aligned budget arrangements that outlines accountability arrangements, governance, funding structures and a local memorandum of understanding across local organisations.

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For partners who might not be eligible for the Single Policy Offer, but showing evidence of strong partnership working or strong performance in particular policy areas, they would be able to make a similar proposal which could then be taken forward in the same way. This is the **Innovative Policy Offer** and primarily focused on strong performance on particular policy domains.

Future work for CCI

Project Idea – Support efforts to get as many unemployed people, especially or NEET (not in education, employment or training) as possible of the quarter of a million unemployed people in the Manchester city region back into work for at least a period of 1-3 years. Currently people who are on benefits cost more to the economy and produce lower tax revenues.

Possible funding stream –

- Putting the Frontline First: Smarter Government, which set out the strategic questions that every authority should pose itself to maximize value for money for taxpayers, will support collaboration across agencies in all local areas including a significant de-ringfencing of £1.3 billion of local authority grants between 2011 and 2012. (HM Treasury report on Total Place, March 2010)
- High possibility of a national pilot of the DEL/AME Switch funded project⁶ as well as support from Construction Skills to support employers who employ unemployed people in the NEET category. Please refer to the appendix 1 for details of the AME/DEL switch funding.
- Single Offer as discussed above
- Innovative Policy Offer as mentioned above.

Potential Partners – Leadership Centre for Local Government, Manchester City Council, Salford City Council, Connexions (as was), ConstructionSkills, Job Centre Plus, The Innovation Unit, AGMA, Construction companies.

Background

In the North West, over 278,000 people are on ‘out of work’ benefits as of February 2009, making it second only to the London region in terms of the scale of need. Areas such as Glasgow (228,810 out-of-work claimants), Leeds (190,060) and Birmingham (258,790) have significantly fewer out-of-work benefit claimants. In addition to this, in Greater Manchester an estimated 403,000 residents, 27% of the working age population (NW: 26%, England: 24%) have poor literacy; and 422,000 residents, 28% of the working age population (NW: 27%, England: 24%) have poor numeracy. This is a major issue and there are numerous concentrations of considerable deprivation across Greater Manchester, with around 350,000 residents living in areas classed as the most deprived nationally. The main concentrations are primarily at the heart of the conurbation, in central and north Manchester and east Salford. Old industrial districts of Wigan, Bolton, Rochdale and Ashton-under-Lyne have further clusters with deprivation largely concentrated in neighbourhoods immediately surrounding the respective town centres. These areas in particular demonstrate persistently

⁶ Refer to Appendix 1 for more details on the DEL/AME switch funded projects.

high levels of extreme worklessness, rates commonly in excess of 75% greater than the Greater Manchester average.

Worklessness is a particularly significant marker of deprivation as it signals social isolation and a lack of opportunity, which is often passed down the generations. There are still over 150,000 residents who are workless due to ill-health, and or/disability, including mental ill-health. There are an even greater number of adults across Manchester about 420,000 in total – who lack basic skills in reading and writing. This large number of people on the margins of employability and opportunity is impeding the economic potential. In 2006, the NWDA commissioned the ECOTEC Research & Consulting Ltd to evaluate the Northern Way's employment Investment Priority: Bringing More people into Employment and the key findings from the research were as follows:

Table 4: Northern Way's employment Investment Priority: Bringing More people into Employment

KEY FINDINGS

- ▶ The picture in respect of employment and disability in the Northern regions is particularly stark. The average employment rate for disabled people across the Northern Way regions is only 28.8% compared to 78.6% for the non-disabled.
- ▶ While employment rates for able-bodied people are broadly similar between the North and the rest of England, the Northern regions suffer from particularly low rates of employment amongst disabled people of working age.
- ▶ Unemployment rates for disabled people are around double those for the non-disabled, with this pattern relatively consistent across the North and England as a whole.
- ▶ Rates of Incapacity Benefit, IB (as was) claims are consistently and notably higher across the Northern regions when compared to the rest of England.
- ▶ In 2005, the average IB claimant rate for the Northern regions was 9.6% of the working age population compared to an equivalent average figure for the other English regions of 6.1%.
- ▶ The North East, and to a lesser extent the North West, face a situation wherein a particularly high proportion of their working age populations are claiming IB.
- ▶ The Northern regions account for over a third of working age IB claimants within England, despite their share of the English working age population being less than a quarter.
- ▶ Almost 70% of those claiming IB in the North have been doing so for three years or more with the relative proportion of long-term claimants being slightly higher in the North.

The Manchester Independent Economic Review, 2009, (led by a panel including Sir Tom MacKillop, former Chairman of the Royal bank of Scotland, Jim O’Neill, chief economist of Goldman Sachs and Jonathan Kestenbaum, chief executive of the National Endowment of Science, Technology and Arts), raised the level of debate regarding the economic future of the Manchester City Region within the economic development community. The table below sums up the points that were emphasized, highlighted and recommended.

Table 5: Manchester Independent Economic Review, 2009 Report summary



The MIER, 6 th April, 2009 report emphasized the following points:	The report highlighted the following in terms of investment in the area:	The Review recommended:
<ul style="list-style-type: none"> - Worklessness symptom not cause: the need is to address education, skills and access to jobs... - ...through attracting entry-level jobs to population and/or improving transport access to jobs - Incentivise full policy integration, esp housing, worklessness 	<ul style="list-style-type: none"> - Getting Foreign Direct Investment into Mcr is a “good thing” - Investment is largely by big/R&D intensive <i>domestic</i> firms, probably because of pool of skilled labour/talent - Positive “spillovers” not sectoral, but from supply chains - Overly high reliance on G7 and debt-based finance <p>So...</p> <ul style="list-style-type: none"> - More FDI needed, will take opportunism, new sources - Policy focus to attract large domestic firms’ investment - Networking should focus not on sectors but supply chains 	<ul style="list-style-type: none"> - Emphasis on high skills and basic skills - Focus on early years experience in deprived areas - Make housing and planning policy more responsive to market demands - Ensure viability of Manchester Airport - Transport: focus on productivity and realistic traffic management - Move quickly to unified regime for planning, regeneration & neighbourhood renewal - Prioritise location of key science/non-traded (quasi) public sector investment - Move on from sector-based clustering policy - Develop more robust city region governance able to take big decisions - Develop objective pan-GM systems for evaluating policy, programmes & projects - Explore potential for delegation and devolution - Empower private sector more - Recommendations of individual reports

Source: MIER, 2009 Report.

The Waddell and Burton Report (Is Work Good for Your Health and Well-being? 2006) highlighted the fact that a lot of our benefits actually prevent people from work and this effect is clearly not a good outcome for public expenditure. According to David Freud, the Shadow minister for Welfare Reform, the long term Incapacity Benefit ,IB (as was) population cost in fiscal terms has been £25 billion a year each year. There has been a rise in intergenerational worklessness, lack of role models and rise of antisocial behaviour all connected in some way with the dependency culture.

Priority performance indicators for Manchester

A number of performance indicators were selected for each area in Britain that were the big priorities for the area. There are also a small number of targets set by government and the priority performance indicators for Manchester City Council in terms of 16 to 18 year olds young people who are not in education, employment or training (NEET) are listed below. The data shown is for the area covered by Manchester City Council.

Indicator Name	Value	Direction of travel	Current performance
NI 117 Percentage of 16 to 18 year olds who are not in education, employment or training (NEET)	10.1%	 Deteriorating	 In the worst 20%

Source: Oneplace,Manchester.

Challenges

- Ownership of the project and who takes it forward
- Addressing the scale of the problem given the data from the desktop research. The pattern of Incapacity Benefit -related worklessness is also neither uniform nor consistent across the region. The relative wealth and economic prosperity between different areas further creates economic exclusion with worklessness and adds to the challenges of deprivation.
- What would be the incentive for construction companies to employ people with no or little work experience?
- How to match the right people for the right job?
- In order to employ people so that they no longer require benefits, what are the alternatives for single parents who are receiving some sort of benefit? There would be issues on childcare, commuting to work, and

- The need to look into what is the best way to deliver solutions to the problem/theme identified and the potential costs, benefits and savings of different solutions.

Conclusion

As is evident from the recent general election, the public sector is about to enter into tougher financial times and spending cuts are underway. According to the prediction made by the Chartered Institute of Public Finance and Accountability (CIPFA) and the Society of Local Authority Chief Executives, the overall public spending over the next three years is likely to fall by between 7.5% and 15%. The total spending on public services experienced an unprecedented sustained growth over the past decade with an increase of 42% in real terms since 1997. Despite the fact that the Total Place was a previous Government sponsored initiative the works which were being done by people on the ground from different places was very much seen as their work, rather than the previous Governments work, which may help sustain the initiative in the same form.

Critics of the Total Place initiative point out that any savings made from the pilot schemes were hard to quantify. For instance, in Britain's many two-tier authorities, issues were raised as to which authority should take the lead. There were also criticisms that the Total Place initiative did not answer all the questions though there was also consensus that Whitehall needed to let go if the initiative was to reach its full potential. There was an initial confusion with the name and what it actually meant. Some commentators have concerns on whether Total Place had any real ambitions then the first thing it should do was change its name – which an incoming new government would probably do was also raised. This opened the debate to the political dimensions of Total Place.

Kent, which was one of the 13 pilot areas for Total Place, was discussed in terms of the progress made and the opportunities still to be taken. Kent, which is a two-tier authority area with a £10 billion budget, across all the public sector, now has a single phone number and single web portal for all local government services. Yet, after an audit which was completed quite recently on all county and district council properties, the result was not very positive.

A key milestone in assessing the impact made by the Total Place trials was published in early December 2009, with the publication of the Comprehensive Area Assessment (CAA) findings. The CAA included two elements:

- an area assessment - Area assessments may award green or red 'flags':
 - Green flags highlighted exceptional performance or outstanding improvement from which others can learn.
 - Red flags represented significant concerns about outcomes or future prospects where more or different actions are required.
- organisational assessment - on the individual public bodies within an area to make sure they are accountable for quality and impact. It involved two types of assessments:
 - managing performance
 - use of resources, which consisted of three themes: managing finances, governing the business, and managing resources.

In April 2009, the CAA replaced the comprehensive performance assessment (CPA). It assess how well communities are being served by their local public services, including councils, police, health, and fire and rescue services with an emphasis on the quality of life of residents, and how well these bodies, working together, are able to achieve, improve and progress towards long-term goals. It will also highlight best practice and innovation, and identifies any barriers to improvement.

According to a Publicnet survey⁷, it was revealed that most public bodies knew nothing about Total Place, because Whitehall departments remained silent. The survey also revealed almost complete ignorance of Total Place outside the local government with the exceptions of those places where the 13 pilot projects are operating. In the pilot areas, police forces, Job Centre Plus, Learning and Skills councils and the Probation Service have been encouraged by their parent department to cooperate, with the exception of NHS trusts, who being the biggest spenders of taxpayers' money, heard nothing from the Department of Health. It was perceived as the responsibility of the Communities and Local Government, as the lead department, to publicize the initiative beyond the pilot projects. The survey highlighted that no information about Total Place had gone out to more than 1000 public bodies who were involved. A poll by Publicnet of readers of Publicnet Briefing, the daily email service, also revealed that Total Place was also little known across local government, as over 73% of respondents agreed there had been very little publicity about Total Place within their council. At least 60% confirmed they had little or no information from outside sources and over 53% did not know if their council was involved in a pilot project. Some respondents gave a top rating about publicity and involvement and this indicates that where a pilot project was in place there have been publicity and council members and officers were in the picture.

As the time of writing on June 2010, with the change in Government, the Total Place initiative is officially not continuing as there is a high probability that it will be rebranded and refocused. The role of the state is shifting and devolved power is an objective for all three main political parties. The dialogue in places between citizen and politician is developing and is an important aspect of the changing nature of the relationship between citizen and state (Total place: sharing and building on whole area working, working agenda – May 25-26th, 2010.) As evidence from the pilot suggest the use of public assets as a local collective resource, rather than that of individual organisations and departments, has the potential to save a lot of waste and taxpayer's money. As a result of the pilots, places have found engaged it to be beneficial beyond the public sector and in a new way with others. The new

⁷ <http://www.publicnet.co.uk/news/2009/12/09/whitehall-fails-to-give-front-line-support-to-total-place-cost-cutting-initiative/>

relationships supported challenging the assumptions and thinking of all those involved and development of new and more efficient services and ways of working.

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3. HM Government - The Coalition: our programme for Government, Cabinet Office, London, May 2010.
4. HM Treasury, Communities and Local Government – Total Place: a whole area approach to public services, London, March 2010.

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Glossary

ABG	Area based grant
ADZ	Accelerated Development Zone
CAA	Comprehensive Area Assessment
CBA	cost-benefit analysis
CPA	Comprehensive Performance Assessment
DCLG	Department for Communities and Local Government
DWP	Department for Work and Pensions
FDI	Foreign Direct Investment
GDP	Gross domestic product
GO	Government Office
HCA	Homes and Communities Agency
HMG	Her Majesty's Government
HMRC	Her Majesty's Revenue and Customs
JCP	Jobcentre Plus
LA	Local authority
LAA	Local area agreement
LGPIH Act	Local Government and Public Involvement in Health Act
LPSAs	Local Public Service Agreements
LSP	Local strategic partnership
NAO	National Audit Office
NEET	Young people not in education, employment, or training
NOMS	National Offender Management Service
OEP	Operational Efficiency Programme
OGC	Office of Government Commerce
OGD	Other government departments
PBR	Pre-Budget Report
PCT	Primary Care Trust
PFI	Private Finance Initiative
RDA	Regional Development Agency
RIEPs	Regional Improvement and Efficiency Partnerships
RSG	Revenue support grant

Appendix 1

Funding – Del/Ame switch funding mechanism

The DWP funding for employment projects is a fixed budget, which is called the Departmental Expenditure Limit (Del). The DWP funding for benefit payments can not be fixed as the DWP is not able to control it. It is funded through the Treasury in the same way as other “uncontrollable” expenses, such as tax credits, and is known as Annual Managed Expenditure (Ame). These costs can be managed but can’t be controlled.

The flaws that were identified from this system were that:

- firstly, it was cheaper to get someone into work than to keep them on benefits
- secondly, the amount per claimant to help people into work decreases as claimant numbers increase

This results in programmes which can only ever support limited proportions of the total claimant population, currently estimated to be 25%-33% of all claimants.

In his 2007 report David Freud proposed resolving this anomaly by using benefit savings to pay providers once someone had secured sustained work, thereby releasing substantially increased funds resulting in

- Higher proportions of people into work
- Adequate funding for those who require greatest support.

His proposal, commonly known as the “Del/Ame switch”, was supported in the 2008 Green Paper, “No one written off”, and pilots will be run in a number of counties from 2010 to test the mechanism.



Appendix 2

Deep dives

'Deep Dive' is a group of techniques used to rapidly immerse a group or team into a situation for problem solving or idea creation. After choosing their theme, pilots began to look at where and how the money was being spent and also at the cultural elements of partnership working – the 'how do we do things around here' questions. Again, the 'Deep Dive' process was not centrally driven and how the pilots tackled it was their own choice.

Appendix 3

DEFINITIONS OF CASHABLE AND NON-CASHABLE EFFICIENCY SAVINGS

Government advice (Efficiency Technical Note January 2005) sets out 4 categories from where efficiencies might be attained:

- Reducing inputs for the same outputs (Cashable)
- Reducing prices for the same outputs (Cashable)
- Getting greater outputs or improved quality for the same inputs (Non-cashable)
- Proportional Efficiencies (Getting more outputs/increased quality in return for an increase in resources that is proportionately less than an increase in output or quality.) (May give rise to both cashable and non-cashable savings).

Each of these 4 categories is considered further below.

Reducing inputs for the same outputs.

This is probably the most straightforward of the categories covering those **efficiency** savings that are identified year on year through the MTF process. As indicated in the definition there must be evidence of reduced inputs (i.e. less expenditure on staffing, contracts, running costs etc) and no reduction in outputs/quality for an efficiency to arise. Cuts in service or increasing unit charges are not efficiencies, neither is the use of grants to reduce net expenditure.

Reducing prices for the same outputs

Efficiencies in this category will typically arise from improved procurement (for example from tendering, changing providers, introduction of corporate contracts etc.) as a result of which the price of purchasing the same level of goods and/or services reduces. It is also allowable to count inflation in calculating the savings from holding down procurement prices. For example if prices are fixed for 3 years a saving can be counted equivalent to the effect of inflation in years 2 and 3 as measured using the GDP deflator. The GDP deflator to be used for each year is quantified by Government; for further advice contact Corporate Finance.

Getting greater outputs or improved quality for the same inputs

This category of efficiency does not produce cash savings, as inputs are the same. However the outputs are increased or quality is improved so the efficiency benefit is 'getting more for the same cost'. An example is a reduction in staff sickness, which increases productive time leading to increases in outputs and possibly quality. In this example the level of non-cashable efficiencies can be quantified by reference to the increase in productive days, expressed as FTEs, and the relevant cost of an FTE. Another example is where increases in activities occur but are delivered without an increase in resource inputs.

Proportional Efficiencies

In cases where there is a proportionately larger increase in outputs/quality than the increase in inputs then a non-cashable saving arises. The increased input cost needs to be netted off the value of the increased output to arrive at the efficiency saving. For example planning applications increase by 7% and resources to process the applications are increased by 4%. So long as there is no detriment in the speed and quality of processing of these applications then a non-cashable saving is countable. This can be quantified by reference to the 3% reduction in input resource per application.

There may also be instances where outputs increase and inputs reduce. For example accepting electronic application forms rather than requiring hardcopies to be sent through the post. Input reductions (e.g. costs saved in stationery/postage) would be cashable savings whereas the increase in outputs/quality (e.g. increased applications, accessibility for the public) would be a non- cashable efficiency.