

HOUSE OF COMMONS
ORAL EVIDENCE
TAKEN BEFORE THE
COMMUNITIES AND LOCAL GOVERNMENT COMMITTEE

COMMUNITY BUDGETS

MONDAY 24 JUNE 2013

LOUISE CASEY CB, JIM HOPKINSON and JAYNE MOULES

RT HON MR ERIC PICKLES MP and BRANDON LEWIS MP

Evidence heard in Public

Questions 186 - 254

USE OF THE TRANSCRIPT

1. This is an uncorrected transcript of evidence taken in public and reported to the House. The transcript has been placed on the internet on the authority of the Committee, and copies have been made available by the Vote Office for the use of Members and others.
2. Any public use of, or reference to, the contents should make clear that neither witnesses nor Members have had the opportunity to correct the record. The transcript is not yet an approved formal record of these proceedings.
3. *Members* who receive this for the purpose of correcting questions addressed by them to witnesses are asked to send corrections to the Committee Assistant.
4. *Prospective witnesses* may receive this in preparation for any written or oral evidence they may in due course give to the Committee.

Oral Evidence

Taken before the Communities and Local Government Committee

on Monday 24 June 2013

Members present:

Mr Clive Betts (Chair)
Simon Danczuk
James Morris
Mark Pawsey
John Pugh
Andy Sawford
John Stevenson
Heather Wheeler

Examination of Witnesses

Witnesses: **Louise Casey CB**, Director General, Troubled Families Programme, Department for Communities and Local Government, **Jim Hopkinson**, Head of Targeted Services and Lead on Troubled Families, Leeds City Council, and **Jayne Moules**, Co-ordinator, Newcastle Families Programme (Lead for Troubled Families), Newcastle City Council, gave evidence.

Q186 Chair: Welcome to our fourth evidence session in our inquiry into Community Budgets. Thank you very much for coming to give evidence this afternoon. For the sake of our records, could you begin by saying who you are and the organisations you represent?

Louise Casey: I am Louise Casey, head of the Government's Troubled Families team.

Jim Hopkinson: I am Jim Hopkinson from Leeds City Council.

Jayne Moules: I am Jayne Moules from Newcastle-upon-Tyne City Council.

Q187 Chair: Louise Casey, to begin with, when the programme is over in 2015, what do you think will have been achieved? What are your goals, and do you think you can hit them?

Louise Casey: There are two goals. First, the most important thing is that we turn around the lives of these families so that the children in particular are, if possible, in a normal school all day every day; that families are no longer committing crime and antisocial behaviour; and that work is in their sights, if not some of them being already in work. Obviously, we want to do that for the whole 120,000 families.

The second goal, which we started out with but has been a more rapid learning than we had anticipated, is that we also need to think about how, to put it bluntly, we would turn around troubled services around troubled families. The other part of the equation is that we need to think and do more about how, at the moment, we have unco-ordinated reactive services to families. It has to happen that way. You cannot fail to attend a 999 call when the phone goes, or make emergency assessments, or see children in accident and emergency departments, even though they are not registered with their GPs. To do just the work directly with families and not start to change the system would be a massive missed opportunity. It also means that we would not make the types of savings that we all collectively want to make

across public service. Therefore, it is a programme of the head in terms of finances and, for me, of the heart in terms of what we can do around children and families.

Q188 Chair: I put the same question to Jim Hopkinson and Jayne Moules. What do you think you will have achieved in your localities? Is it something you would not have achieved anyway but for this programme?

Jim Hopkinson: In Leeds, we had hoped to see by 2015 better identification of vulnerable and at-risk families at an earlier stage. We want to see a cultural change in how we work around families, particularly using agencies, such as the probation service, police service, our adult services and our third sector, to take a lead with some of those families where they are best placed to take that lead. We also like to think we will be in a place where we are better able to commission much more intelligently across our agencies so we can provide better services for these families.

Jayne Moules: As for Newcastle, I would echo a lot of what my colleague from Leeds has said. We obviously want to see improvements in the lives of over 1,000 families we will be working with between now and 2015, but we really need to leave a legacy in terms of the way services collaborate, information sharing and the use of a data-driven approach to identifying families that we know are likely, from our experience and the evidence, to be troubled, troublesome, or certainly a cost to public services in the future. It is about that culture change and a number of things we would like to see in terms of the way services collaborate together.

Q189 Chair: In terms of that, and to all of you, how far has Government got its act together? From past evidence we have had, we have been told that one of the key issues, if we are really going to turn round some of these families and give them a more positive outlook, is getting people in those families into work, yet, while we have the Troubled Families initiative with CLG leading with other Government Departments, DWP has its own initiative about getting people in troubled families back to work. Why have we got different initiatives? Why can we not have just one?

Louise Casey: As colleagues are aware, things happen on different time scales and not always at the same time. The European Social Fund programme, which I think you are referring to, Chairman, was operating before I took responsibility for the Troubled Families programme in December 2012. Obviously, that was set up for a particular purpose. People were trying to bend that purpose in order to meet the Troubled Families programme. Though we have got there, over periods of time it certainly felt a little like a square peg in a round hole. To the credit of DWP and colleagues in CLG and local authorities, we have facilitated the European Social Fund programme so it can go to a wider cohort of families and, therefore, used that money as effectively as we can. As for our own team, we negotiated that we would get about 150 Jobcentre Plus staff seconded to local authorities to meet our needs in terms of the Troubled Families programme and family work. These things are always very difficult.

Colleagues on the Committee know that this is not the first Government programme I have run. You always want something to be shiny and brand new with a clean sweep; you just set things up and it is all lovely. It does not work that way. You operate in an environment where people are often already trying to do things. You have to try to brigade all of that work together so it makes sense to colleagues locally and to central Government. That took us a while under the European Social Fund programme but we got there, and now both DWP and colleagues in local authorities are happy with the arrangements in place. Most importantly, certainly on the Troubled Families side, families are able to access opportunities, work and things like that much more effectively.

The other ground-breaking part of the DWP agreement is that, first, we got them to second staff to local authorities, which is a very powerful message and is very welcome to colleagues in local government. Secondly, we are trying to change the way Jobcentre Plus works more generally so we are working in a family way, which is unusual for DWP. We are trying to get DWP to look at these families as a whole and work with colleagues in local authorities so we can get a much more effective approach to the families, not just each person hammering at them. That has just started, but we all feel quite confident that that will be a really good thing.

Q190 Chair: Jim Hopkinson, from the local government perspective, in your written evidence you did say that there was “a critical lack of coherence within Government policy” that did not “support integrated working on the ground”. You have just heard a slightly different take on that. Things are improving, then.

Jim Hopkinson: Things are absolutely improving. I would give all credit to CLG for the work they have done in the most difficult aspect of our programme, which was that aspect relating to our relationships with the Work Programme, ESF and Jobcentre Plus. That challenge goes both ways. It was a challenge for us in parts of the local authority, particularly children’s services where we are used to working with families with a number of issues. We are seeking to provide better outcomes for those families and children as well. Did we go the extra mile to see how we as children services worked to support the adults in those families to move closer to the work force, and ultimately into work? That will be the best way of securing good long-term outcomes for families and breaking that cycle. That is a challenge to us.

When the Troubled Families programme came about, we sought to make relationships with our local ESF provider. That took some time. We had difficulties with aspects of that programme, but we have worked through them. For example, the case load of the ESF programme was one to 40, which we would not think is practical for working with families with the difficulties we have identified through the Troubled Families programme. With Work Programme provider in Leeds, it took a bit longer than we would have liked to establish those working relationships. They did not come and bang on our door as quickly as we would have liked, and it took some time to establish our working relationships. Therefore, the master stroke pulled off was the work that the Department for Communities and Local Government did in getting those Jobcentre Plus co-ordinators seconded to our Troubled Families team. That has made a massive difference. For example, Jobcentre Plus workers are now able to work with key workers to home visit some of those families where previously they would not. That is about changing the way we work with families, and that is what will get those better long-term outcomes.

Jayne Moules: There has been a real shift in the last year. When I started to take responsibility for the Troubled Families programme in Newcastle, it felt like there was the potential for duplication and for having a different philosophy in terms of working with families with our ESF provider. I have to say that we worked really hard on those relationships. It is a credit to those practitioners on the ground who wanted to make it work for families, I suspect against the odds, but the feedback we gave as co-ordinators to the families team and DCLG was that this could be working better. If this is one of our objectives in terms of working with families and supporting them to move towards the job market, we need to work in a more co-ordinated way. We also need to have better access to the kinds of information that only our Jobcentre Plus colleagues have. It is early days for us in Newcastle. Our secondees are yet to start—they are starting next week—but we do have a programme in place where they will be co-located with us in the team that is working directly

with families. We anticipate that that will accelerate that kind of working together in a much more integrated way, so we are looking forward to that possibility.

Q191 Chair: There are also lots of other initiatives around, such as the safeguarding children and children looked after initiatives. Are they being linked into this, or are they still separate? The figure I have is that 75% of the children in the Troubled Families programme are on the at-risk register. Is that right?

Louise Casey: I think you are quoting a Leeds figure. There is huge variation around the country. For example, Bradford, which is just up the road from Leeds, has used looked after children as one of its criteria. Obviously, in that area the numbers of looked after children are greater.

Q192 Chair: It is about local discretion.

Louise Casey: It is about local discretion. Last time I was here, we were just putting together the framework. There are three national criteria and, importantly, a fourth criterion, so it varies. From my experience of doing visits around the country and listening to colleagues, particularly Jayne, Jim and others, domestic violence, substance misuse, particularly drug abusers, and looked after children would be the three largest volumes in terms of criteria locally. Therefore, more often than not they are the ones people are talking about. Domestic violence is very prevalent in these households. In terms of the numbers of children in and out of care, at-risk teams around the family and children in need, it is there in loads of these cases and colleagues are using that as a criterion. There are other areas. Sandwell, for example, has at risk of care and edge of care. It is very hard to give a national picture until we do the evaluation, but I would say it is significantly greater than 5%. Nationally, I would be very surprised. We know it is a big factor. Domestic violence, looked after kids and substance misuse are where local criteria are used, and used widely.

Jim Hopkinson: To elaborate, in Leeds, in our year two cohort we have changed our local factors to take account of the fairly low numbers of both looked after children and children in the child protection plans. We identified lots of families where there was worklessness and poor attendance at school, which skews the profile towards slightly older children—of course, they may be large families—and children who offend. Again, that is skewed towards 15 and 16 year-olds, particularly as we have got better and better at diverting people away from offending. The initial cohort of families that we had to work with which had all three factors—worklessness, antisocial behaviour or crime and poor attendance—skewed that towards slightly older children.

We have more than 1,300 children looked after in Leeds and about 1,000 children on the child protection register, but many of those are much younger. We have learnt from that. We have a number of local filters, which include domestic violence and adults with substance misuse issues, but we are changing—the DCLG have been very supporting of this—how we propose to utilise our discretionary factors in year two. We think that will provide a much higher overlap, particularly for those who are either children in need or children in a child protection plan.

Jayne Moules: I agree. Domestic violence for us has been a real feature in terms of factors we want to incorporate in the identification of families. The option within the eligibility criteria to add local discretionary factors has been really important. In Newcastle, at the moment, we are developing our multi-agency safeguarding hub. We are looking to ensure that families that are eligible for what we call the Newcastle Families Programme are featured within those developments. There is certainly a really strong relationship between our existing safeguarding arrangements and those families that are eligible for the programme. They are very much interlinked.

Q193 John Stevenson: Louise, for your 2012 report you interviewed 16 families. Two questions flow from that. First, why such a small sample? Being so small, is it representative in the first place? Secondly, what did that exercise add to your experience and knowledge of troubled families which you would not have got from the average council in any event?

Louise Casey: There are two things. I do not believe that the policy for which you are accountable to Ministers should be divorced from the human beings on the receiving end of it who are involved in it. Earlier today, the Chief Secretary and Secretary of State for Communities and Local Government also met families with me. It is incredibly important, particularly in roles like mine, to remember what all of this is for. There is nothing like meeting those families and realising just how difficult their lives have been and the backgrounds many of them have come from. The roll of the dice they got was not great: being born into a family that already has a history of abuse; going into care; coming back out of care; domestic violence; bringing children into the world too young, and so on. It is important we remind ourselves when we are doing battles or trying to create policies why we are doing it, and that families breathe into the programme. The importance of even something like the fourth filter, which feels like a very technical thing, reflects the needs and issues of those families. Throughout the jobs I have had the privilege to hold, it has been important for me to remember, with some degree of humility, what this is all about. It is great to have sums of money and do all of those things, but it is important to be reminded of that.

The other things is, publishing criteria and payment by results are really important to give momentum to the programme and to be really clear what it is we are trying to achieve. I also felt it important that we articulated the type of lives these families have and that we are trying to tackle something that is very difficult. To a lot of people, getting a kid back into school, which is not a pupil referral unit, five days a week seems to be straightforward. By interviewing those families myself, I was trying to convey intergenerational issues of abuse and behaviours, and that we needed to do something pretty fundamental to help change them. I did that both as a reminder but also as an articulation of how difficult and challenging these families are.

Sometimes, when one uses expressions, labels—whatever word you want to use—you can forget the depth and type of problems. For me, that has led on to the need to be systematic in, first, how we support, train and find staff and workers who are able to deal with those sorts of problems. Again, one can make it sound very easy and it simply is not. During the lifetime of this programme, we will find that we have local authorities that are absolutely determined to do this and their response to this programme before it, during it and now has been extraordinarily positive. Secondly, we have staff and workers who are extraordinary. They walk into these families' lives; they do not invite them to an office for an appointment with a letter. They walk through the front door and into the front room past two extraordinarily difficult and dangerous-looking dogs that they hope are locked in the kitchen. They have to sit on a settee, often in a pretty rough environment with some very aggressive people, and, with kids not in school and people all over the criminal justice system and so on, they have to get them from there to there. I think that is extraordinary. For me, the July report was the beginning, saying, "Do you know what? We're going to do something amazing and fundamentally important here." I put my hands up: I interviewed 16. I never pretended that that was research with a capital "R". I said it was policy, and I am very clear about that. We have an academic institution; we have got the evaluation; we have let it. We will be doing that in all of those ways. This is for me a very important reminder that we have to get this right by the families.

Q194 John Stevenson: Turning to Jim and Jayne, there have been national criteria for troubled families. How important are the locally chosen criteria in your view for identifying troubled families?

Jim Hopkinson: It is extremely important to have local criteria. For example, in Leeds, at the time when the Troubled Families programme was being set up, we had a particular issue around burglary. Our police, local authority and Safer Leeds partnership were very exercised in doing whatever it took to turn the curve on burglary. We added as a local criterion those households where adults or young people either were involved, or had been involved, in burglary. We added substance misuse and domestic violence as local criteria. That was really helpful in getting strategic buy-in to that programme from a range of other organisations who could absolutely see why this was something they needed to get involved in.

Alongside that, the work Louise did in that report, which we used with our board and at our launch events as well, demonstrated the complexity of the needs of these families and the fact there is no quick fix for these families. Sometimes people say you can get in there and work with them for a couple of weeks and everything will be fixed. Sometimes we need to work with these families for eight to nine, even 14, months. We can expect some relapses along the way and the need to develop our work force to have the skill set to take that whole family approach. That is really important in how we develop our work force to take on that challenge.

Jayne Moules: It has been really liberating to have locally developed criteria. One of the advantages of the Troubled Families programme is that having national criteria has given it focus. Undoubtedly, that has helped in identifying families that meet the national criteria, but having local criteria has given us the opportunity to say there are families here we know we need to be working with because of the list of things we have been talking about, whether that is adult mental health, criminality or things that do not meet the national criteria but we know meet our definition of a family with complex needs that are high cost to public services. It has given us freedom to make sure that local families we want to be part of the programme are part of the programme. We are able to articulate why that is because of the issues the families have got, not necessarily in a prescribed way from the centre. We have been able to identify those locally, which has been a real benefit.

Q195 John Stevenson: Is there a danger to the local authorities that they identify families which are troubled because they are a cost to the public sector rather than because they are troubled?

Jayne Moules: On the face of it, this initiative could be in danger of being led in that direction. Going back to my previous answer, the agencies involved in the governance of the programme, certainly in Newcastle, have been very aware of the need to identify families who are by definition a trouble both to their communities and themselves. We have also been able to identify adults and children in families who have a great deal of vulnerability and who perhaps would not fit the criteria of antisocial behaviour or other characteristics. We have been able to include families where there have been adults with mental health difficulties, substance misuse and a whole range of vulnerabilities, or families we would describe as having multiple and complex needs. I do not know whether that really falls within the category of “troubled”, or whether they are perhaps vulnerable.

Jim Hopkinson: In Leeds, in the 869 families we have been working with this year, there is a range of issues. Some families have high needs, and we are dealing with that through very intensive programmes with the skill set of the workers for the sorts of families Louise identified when she interviewed them. Some of those families have got less intensive needs at this moment, particularly those with older children identified historically because of

poor attendance, or some sort of offending that has ceased. It is important, because as those children turn 17 or 18 and they and their families are not in work the outcomes are likely to continue to be poor. We may not see them as troubled in terms of child protection issues and safeguarding issues, but their outcomes are unlikely to be good. It has been really good in challenging and supporting us and in our challenging and supporting those families, particularly about the work agenda around that. We picked up a dozen or so families who drifted, with adults not in work who somehow had slipped through the net of different Work Programmes. We brought them back into the Work Programme and into contact with Jobcentre Plus. That, surely, has to be the right path for getting those families on the road back to recovery.

Q196 John Pugh: Can I follow up a question John asked you about staff? I listened to what Louise said about people who walk past big dogs and sit down. Unless those are the right people, the whole thing does not work, because they really are at the sharp end. Do you monitor staff turnover at that level? Have you any data about staff turnover? Although it is an extraordinarily valuable job, it strikes me that it is also probably a fairly stressful and, at times, thankless job. I am interested to know what you do to get people who are good at the job to stay in it rather than become worn out by it.

Louise Casey: That is a really fundamental question that we have been interested in since we started. I will find out exactly where I got this from. It is either the national evidence that we published or it could be Greater Manchester's evidence. I think it is Greater Manchester's evidence. They found that the satisfaction and sickness rates and the longevity, as it were, of staff involved in family intervention and family work are significantly greater than in children's services more generally. Once you get this right, the huge feeling of satisfaction by changing some of the most difficult families is overwhelming and fantastic. Getting right the support of those staff is also very important. It is not just the lone worker, as it were, riding into town to do a brilliant job. The local authorities I can think of—there are two to my left but I can think of others—get right the support to those staff, because that is incredibly important.

Q197 John Pugh: The staff obviously find it purposeful.

Louise Casey: They do. This type of work is not just sitting there making assessments of people. You are not going into a family, watching them, making assessments and producing papers, which has a value. I am using the wrong tone when I say that. It is an important thing that we need people to do, but going in to do that assessment, getting kids out of bed and to school for the first time in ages, making sure there is food on the table and establishing routine while you are working with the family means that you achieve very small steps with them. The small steps feel great to the families. The families then start to trust you in a different way. You are not in a fighting relationship with the families. When families talk about this work they refer to, say, Jayne being the first person who has ever listened to what they wanted; nobody has ever helped them before. When you look at the case histories, you realise that everybody has been assessing them, looking at them, circling them and writing reports about them, but the family feels that nobody has ever helped them. It is the difference between showing them how to be a parent and helping them be a parent, and judging whether their parenting capacity is good enough. For the workers and the families where this works, Dr Pugh, this is really powerful.

We are one financial year into this programme. There is a huge challenge both to myself in the central team, but to colleagues more broadly, about how we get a work force of people nationally able to operate in that way. Tomorrow I go to Devon to be part of training a load of workers who do not do this job at the moment and are being moved into it. We are

going to help them work out how to do it. I have been with Jim in Leeds doing a similar sort of process. We are learning on the job, as it were, about how to look at work force reform more broadly. A year into the job it will be a big one. We have a lot of people who do not do; they assess.

Q198 Chair: I am conscious that the Secretary of State is coming in just after five o'clock. I for one would not want to keep him waiting.

Louise Casey: I will not want to keep him waiting either.

Jim Hopkinson: Very briefly, then, we have an intensive family support offer in Leeds, which is multi-systemic therapy or family intervention service. It is a popular job. The case loads are lower. You might have a case load of about eight families to work with. You can get to know those families. You work differently, sometimes early morning, sometimes late at night and sometimes at weekends. That work force has support in learning to work restoratively with families, as we say, not to them or for them. It is a high-support, high-challenge model and it is very popular. A lot of work force development goes in. We have a work force development stream as part of our Families First board, and we have invested heavily in something called Working with Parents Level 4 training, which is about lead worker training. I was talking the other day to a family, which I know we are challenging immensely. The mother in that family said, "The family intervention service worker is my guardian angel", so she saw that as very positive, and yet we are challenging.

Q199 James Morris: Can I ask Jim and Jayne what challenges they have faced in getting the 60% of funding which is required for the scheme? How has that worked?

Jayne Moules: The whole programme in Newcastle is predicated on the fact that we are building on existing services. None of the work that we have initiated as part of the Troubled Families programme is standalone. The additional funding we get as part of the attachment fee has enhanced our existing services, so it is building on it; it is not a separate standalone piece of work. While we do not say there must be £6,000 put in for every £4,000 that comes in from DCLG, in the infrastructure in place in Newcastle we know we have maintained our investment, for example, in family intervention projects. We spend our own resources on those programmes.

Q200 James Morris: You have not got a defined pot, as it were.

Jayne Moules: We do not have a defined pot.

Q201 James Morris: How have you evaluated that 60%? How do you calculate whether or not you have achieved that?

Jayne Moules: We are probably putting in excess of 60% into the work with families rather than finding an additional pot. All of our infrastructure is geared to prioritising these families, so it is about redeployment and redirection of those resources, as opposed to one pot from which we would commission work.

Q202 James Morris: When you refer to the redirection of resources, does that mean you take an existing service, look at it and say this service needs to be more oriented towards a particular form of intervention?

Jayne Moules: We would say we have identified families that we have prioritised because they meet the eligibility criteria for the programme, and we have asked services to prioritise work with those families. That was really about redirecting the work they have done. We have looked at services that we know have achieved results with families that have

complex needs. We will provide additionality to those programmes rather than to programmes that do not work with families with these characteristics.

Jim Hopkinson: In Leeds, we built on an architecture we already had around early intervention and prevention. We break Leeds up into 25 areas, which we call clusters. Our main matched funding was a body of staff we called targeted services leaders. We have targeted services leaders in each one of those clusters, and we have redefined what they do. If you like, they are mini-troubled family co-ordinators for that small cluster area of Leeds. We put that against the matched fund. Other parts of the matched fund came from data. We slightly underestimated the work involving data and analysis. It is really important that we get the data right. Our colleagues from the police and our Safer Leeds partnership are supporting us on the data, as are our children's services.

Q203 James Morris: On the point about looking at services which are already delivering a particular intervention, have there been examples where there has been a diversionary effect and you have said that you are going to focus on a particular group of troubled families and will no longer focus on X? Has that meant that there has been service diminution as a result?

Jim Hopkinson: No. The job of the targeted services leaders under the architecture of 25 clusters in Leeds was to identify vulnerable families that we thought were likely to have poor outcomes and were in need of early intervention in the life of the problem. You put those teams around the family and make sure there is a key worker and assessment in place. It is quite similar to the Troubled Families initiative. The difference is that the Troubled Families initiative came with some set criteria, to which we added local criteria. We have leaned quite heavily on our targeted services leaders. We are not telling them to stop working with that group of local, bottom-up, if you like, identified families. We call it the top 100 list.

Q204 James Morris: We have had some evidence from Leicestershire that they needed to lead the change within not just the authority but agencies. Is that something you have found? Has there been a requirement for you to drive this and other agencies are sitting back?

Jim Hopkinson: A little bit. We have a very positive board, but we did bring a seconded probation officer and police officer into our central team. That has been absolutely crucial in making this programme work locally. We did fund that initially as part of our upfront funding of that change management.

Q205 James Morris: In terms of evaluation, do you think payment by results is working? This is to Louise as well.

Louise Casey: The liberating thing about payment by results is that it makes absolutely clear that you are looking for definite change in the family, leaving aside whether it incentivises my colleagues because of the money. Maybe, maybe not. You can answer that. My view is that it does, because people have moved quickly to identify their families and ask for attachment fees towards families, and we are gearing up to results in July. That is great. Another factor is that it makes the transaction between ourselves and what we are trying to do with the family clear. Instead of paying for lots of people to go and chat with families about how things are and whether things will change, there is a real simplicity, which is, "Are your kids in school all day, every day at normal attendance rates? I am sure you want that. How can I help get you over the line to achieve it?" For me, there are two reasons why this works. One is that it does incentivise people. The other is that it gives real clarity. When I did a job involving homelessness for a previous Administration, I was not interested in how many times we chatted to people on the streets. I used to work for a charity, and we got money off

the then Administration for the number of contacts we made with homeless people on the streets. When I started the job I said I was not really interested in how many contacts had been made; I wanted to know that the right person was off the street with the right solution, and permanently. The payment by results for families provides a different discussion between the state and the individual about what we were looking for them to do.

Q206 James Morris: Do you think it encourages short-termism as in, “We’ll get the kid into school, tick the box and trigger a payment”, but that is only a very small step along the way to long-term sustainable change?

Louise Casey: If we had wanted short term we would not have set the results quite so high. We are looking for families to have three consecutive terms to get kids back into school. For the families we are talking about it is a pretty tough bar.

Q207 James Morris: Is that one of your top criteria?

Louise Casey: Yes, hence I have to wait almost a year before I am able to ask colleagues to give results payments. All of us who work in social policy know that if you can get a child who has been excluded, or truanting, or in one term and out the next because a different dad has arrived, and back in another term—this history is what the attendance dynamic in the families is about—into school for three consecutive terms at normal attendance rates, that is a phenomenal achievement. If I wanted to fiddle around with results payments, I would not have asked Ministers to set the bar that high, because it is a tough one.

Q208 Simon Danczuk: Louise, earlier you said you were going to do something amazing here. I want to look at some of the statistics. You have identified 118,082 troubled families. Of those, 82,465 have not even been worked with through this programme, according to our figures, and a staggering 116,407 are still to be turned around. In total, that is 98% of your troubled families. At the moment how close are we to “amazing”?

Louise Casey: There are two things to say. As of about 12 months ago, there were fewer than 5,000 families being worked with under family intervention, and now local authorities across the country, including your own constituency, have got significant numbers of families being worked with. I do not think we should underestimate the extraordinary achievement of local authorities at all. Local authorities deserve the credit for this, because, yes, Mr Morris, on the whole, they are the ones driving this change, and we need somebody to lead it locally. I think it is remarkable. Did they recognise the figure of 120,000? Yes, they did. Would they identify those families? They have identified over half, and I am a year into a three-year programme. I do not think that is bad for colleagues in local authorities. I would put the statistic much more positively than the way you did. Given the fact that they are working with 35,000 from where we were, a standing point, I do not think that is bad at all in a three-year programme. It is really hard work for colleagues. They are cracking heads together between the police, health and different parts of local authorities in somewhat difficult and challenging families.

I am not putting the cosh to these guys over their results payments yet, because I genuinely want children in school for three consecutive terms. From a social policy perspective, in all the jobs I have done, in both the government and charitable sectors, if only we could get this kids thing sorted, Simon, I would not be sitting before you now. I have sat before you in a number of jobs on a number of different occasions. We know that that is the one we need to do. We need to nail it. I would rather they had the time to get their services organised and their approaches and leadership right and then nail the fact that we get every child into school for three consecutive terms. I will be patient, despite the fact that I work for Ministers. We have to hold our nerve to give these people time to work with these families.

There is no reason, just over 12 months into the programme, to expect anything more than where we are—quite the opposite.

Q209 Simon Danczuk: I was told last week that there are 675 troubled families in Rochdale borough. How happy are you with progress?

Louise Casey: You are all right. Basically, you are working with over 50%, so identification is not bad at all. You have got 240 being worked with, so you are okay. I am all right about Rochdale.

Q210 Simon Danczuk: I am not talking about me personally.

Louise Casey: I am sorry. As I walk through here, most MPs ask, “What’s it like in my constituency? Are you happy?” I am sorry; I misread that.

Q211 Simon Danczuk: Are you happy with progress overall?

Louise Casey: I am happy with progress. Of course I want more, and more quickly. We have to wake up to the fact that we need to reform services around these families. That is very hard for them to do. We need the police to get to grips with this as well. They cannot just sit outside it, which they are doing in some areas. They think this will come and go, and it will not. We cannot have a situation where our response to a troubled family is that week in week out there are 999 calls that cost us a fortune and yet we do not work out what is actually happening in the family. Of course I am impatient, but we also need to give people locally the chance to do right by their services and by their families.

Q212 Simon Danczuk: Jim and Jayne, very briefly, everywhere I look I am told that the Work Programme is not working. How is it affecting you? One of the outcomes of this is to get adults into employment. How is it going to affect your performance-related pay in relation to that?

Jim Hopkinson: When we did our claim in January, we claimed for 135 families. To be fair, those were families we were already working with through our intensive family support. As I said before, it takes a long time to work with some of these families. None of the families we claimed for was because they had moved into work. That is because at the time we did not have the data from our ESF programme and Work Programme. It would be fair to state that our local authority would probably say, “If we had managed the Work Programme we would have made a better and probably cheaper job of it.” We have those relationships now, but they have taken longer to develop than we wanted.

Q213 Simon Danczuk: Do you agree, Jayne, that the problems in the Work Programme are adversely affecting your ability to deliver?

Jayne Moules: The most challenging aspect of the programme is about getting adults into employment. Some of that might be about where we are in terms of the stage of the programme; it might be about communications with our colleagues, but we have not been able to put in any success claims to date for adults who have been in continuous employment. We think that will change in the next year, but our success claims in January did not reflect any of those achievements. We are looking quite hard at how we can improve that from here on in.

Q214 Heather Wheeler: I will be brief, because we are running out of time. Two conflicting things are going on here. There has been an announcement today that another 400,000 families are to come in, which is obviously fantastic news. None of us want there to

be 400,000, but at least the problem has been recognised. The question is: is this going to extend beyond 2015? What are your thoughts on that?

Louise Casey: Yes, it will. The Secretary of State is coming in next and you may want to put more questions to him about this. It is important. I would imagine colleagues agree that we are trying to change a generation of children. One of the amazing things for me is that that has been recognised in this process, and essentially we are going to extend the reach of the Troubled Families programme into the first year, if not more, of the next Parliament.

Q215 Heather Wheeler: Lovely; I will hold that one there. Perhaps the other two guys could answer, if they know the answer. How do you think Whole Place Community Budgets will be able to pick up the work currently being done through the Troubled Families programme after 2015?

Jim Hopkinson: We are delighted to hear that there may be an opportunity to extend the reach of this programme. This programme does what we may have done in a neighbourhood pilot of a Community Budget in Leeds. We gave a lot of attention to Troubled Families coming through, and it has been very important. We have the architecture, as I mentioned before. We set up an awful lot of systems around identification, cultural change and having a work force that can provide high support, high challenge, assertive engagement and a sanctions strategy. We have commissioned and trained the third sector, and it would be a shame if that got lost. We have put in place the building blocks to build those teams around the family and change the perceptions and ways that different agencies work to develop that lead professional model, so extending it and increasing the reach is absolutely fantastic.

Jayne Moules: I am delighted to hear that there is a prospect of continuing to embed the work. Providing more incentives to agencies to work together, to look at their resources and work in a much more integrated way through the Community Budgets and through Troubled Families is a real potential for the future to work differently as public services.

Q216 Heather Wheeler: If local authorities can break down the silos, do you think national Government Departments can?

Jayne Moules: I am sure that will be a question you will ask at the next session.

Chair: That is a very appropriate point on which to finish. Thank you very much indeed for coming to give evidence this afternoon.

Examination of Witnesses

Witnesses: **Rt Hon Mr Eric Pickles MP**, Secretary of State, and **Brandon Lewis MP**, Parliamentary Under-Secretary of State, Department for Communities and Local Government, gave evidence.

Q217 Chair: Good afternoon, Secretary of State and Minister. Thank you very much for coming to be with us this afternoon in our inquiry into Community Budgets. Many local authorities around the country are not part of the current pilots. Would it be fair to say they might be scratching their heads and thinking there have been more initiatives in this sort of area than progress in changing services? After all, we had the Total Place announcements which apparently were designed as a permanent fixture and were scrapped shortly afterwards. Now we are on to Community Budget pilots three years later. For most of the country have they really seen any progress? Are you frustrated with this, or do you think progress has been made?

Mr Pickles: I think that is an overly-cynical view, Mr Betts, of the current situation. The various community initiatives have had the same theme, but one thing I am pretty certain about is that this is the future and this is the way it is going to go. It is going to go this way not only in terms of the way services are put together, much more on a community and probably neighbourhood basis, but I also think that, as time progresses, the neighbourhood will be the fundamental building block of local government service and finance.

Q218 Chair: One issue that the NAO identified when looking at Community Budgets was that it was not simply a matter of better controlling expenditure and getting better value in a simple sense, but looking at a new way of designing and operating public services on a permanent basis for the future. Would you agree with that analysis?

Mr Pickles: I would agree with that. I do not think Total Place was ever intended to be just a weird accounting measure whereby you could have duplication and save a couple of bob here and there. It was always designed to try to change and make things much more service-oriented and people-oriented than was previously the case. This is one of the great changes in the way in which local authorities and, indeed, the NHS and DWP will be providing services. It goes back to a discussion that I recall having with you a few years ago. In this country, we are obsessed with governance and structure. The way we change things is by putting in a structure and governance. We try to put things in terms of balances and checks.

It is not like that in the real world. Fundamentally, you should try to change the nature of the service and let structure and governance catch up with you. That is how they would do it in business; that is how it happens in just about every other sphere, except for government. I always felt this was the way in which you could make public services much more in tune with how people live and want to see local government services. They never care very much about the structure; they just want to talk to the council or the department about what is happening.

Q219 Chair: We would probably all agree with that sentiment and do not doubt your commitment or that of your Department to do that, but the evidence we have been receiving from quite a few witnesses in the pilot areas is that that was not the initial reaction they got from other Departments, and the governance structures there might sometimes be seen as an obstacle to getting the sort of arrangement you described. But the pilots have broken it down to a large extent because they have had senior civil servants allocated to them to help that process. Is that going to be possible when you start to roll it out to other authorities? Surely, you cannot replicate that precise way of doing things.

Mr Pickles: That is why you have pilots, but you describe exactly the process. The only way you get change is to get somebody senior to realise how utterly ridiculous the various silos are, and you progress it in such a way that the way this happens becomes the norm. Yes, we can stretch out the pilots. To talk against myself for just a second, the real worrying thing is that you have this moment of liberation where the silos go and then the beating heart of the bureaucrat reasserts itself and tries desperately to rebuild them. We have spent a lot of time in these pilots seeing a silo starting to be rebuilt and trying to remove it. To be in a silo is a very comforting thing.

It goes back to something I said to you a long time ago. When I started out on this I was utterly convinced that the really important thing was control of finance. It is not. It is not people sharing budgets; it is accepting other people's judgment. People like an audit trail when you and I come down on them and say, "What's happened here?" They say, "Look, we've got this audit trail; everything is fine. We took all the appropriate actions and checked them personally." It is accepting that the judgment of DWP or local authority is one that we

will back. That is the really big change, and that is why some people will move along very quickly with these pilots. If you look at Troubled Families, you can see that some are motoring ahead well ahead of target and some are still, while progress is pretty good, finding it difficult.

Q220 James Morris: Just picking up the point the Chairman was making, as an example, Leeds City Council has complained that government policy still does not facilitate integrated working on the ground. Do you think more needs to be done, Secretary of State?

Mr Pickles: The short answer is yes, but we will have a more considered view from Mr Lewis.

Brandon Lewis: There is more we can do. It also picks up the Chairman's previous question, which is relevant, about how we can roll this out and go beyond the pilots, which was why we announced the network a few weeks ago to take it on to the next stage. There is really interesting practice there. It is understanding that some areas will want to do different things. If you look across the pilots, you see really fantastic work going on in different areas. There is a real temptation to say centrally, "This works. It is saving X amount of pounds and is giving a better outcome for our residents. We need to make sure everybody is doing this", but one of the reasons this has worked so well is that it has been designed locally. You also have the benefit of people from Whitehall seconded out so they understand. They learn what the impact is on the ground, and you move away from the view that because we say it is so it must be. We have teams out there seeing the impact on the ground, which helps them understand better how to work with Whitehall. A feedback I got from the pilots was that this was one of the really strong assets from this.

The network is widening that and working in lots of other areas on exactly how they can roll it out to suit them. Whether it is around work with health, skills, or jobs, it will be different from area to area. Part of the beauty of the network and the success of it—this comes back to the Chairman's previous point—is the fact that during the last year or so of the pilots, whether at conferences or meetings, councils, local authorities and other bodies have said to us, "We want some of this. We want to be part of this. How do we get to be a pilot?" Now we have opened up a network we are inundated with 30 or 40 bids already to come in as part of that. We are looking at exactly how we roll it out to suit each particular area.

Q221 James Morris: I want to focus on the barriers within Whitehall. If you look at the NAO Report on Government integration, it found that no joint actions were recorded between the Departments for CLG, Education and Justice and the Home Office. The Secretary of State painted a vision of the Department of Health and DWP working in a more integrated way, but there ain't much evidence of that really happening on the ground now.

Brandon Lewis: For example, in Essex we have been looking at working with the police. I met the chief of police there a while ago. He was talking about exactly the work they were doing. In that sense, right on the ground, the teams working through the Home Office, the police forces, are doing this. If you look at some of the work on domestic violence with Troubled Families, it is often the police who are heavily involved in this.

Q222 James Morris: But that is not happening in Whitehall; that is happening on the ground. There is a lack of facilitation at the Whitehall level. Is that a barrier?

Brandon Lewis: The more we can break down barriers, both local and centrally, the better, but the real key is having teams on the ground delivering. As to Whitehall, we have secondees from Departments right across Government who are working with the local areas. On Monday of this week I was talking to the CBI with a secondee from the Treasury concerned with Community Budgets. That is happening. It is a new step forward for

Whitehall, and the more we can do to break down those barriers the better, but it is happening. That is why these pilots have been so successful.

Q223 James Morris: You cannot really have a place-based budget if CLG is a lone wolf operating out there, can you?

Mr Pickles: I am just wondering, because I keep seeing lots of different officials who have been seconded from Departments right across Whitehall. I keep thinking about the various meetings that we have had with the Home Office on domestic violence and the discussions we have had on grooming and the like. I do not entirely recognise the description that you have made. Maybe it is because, if you move towards issue-orientated, then the old cumbersome Whitehall machinery of Joint Committees is inadequate for that purpose.

Q224 Mark Pawsey: Secretary of State, we have had evidence that Government agencies require some kind of incentive to get involved in Community Budgets. Do you accept that incentives are necessary for Government agencies to participate and get involved?

Mr Pickles: “Incentive” is an interesting description. Incentives fall into two categories: nice incentives and nasty incentives. I like to think that, throughout this process, we have tried to take people along with hearts and minds, but it does help that the Prime Minister is personally committed to seeing both the Community Budgets and the Troubled Families initiative pushed out.

Brandon Lewis: I would come back to the point I made a moment ago. The success of that is highlighted by how many different areas want to get involved and be pilots, effectively, as part of the network to take this forward. When you talk to people in local government particularly, I sense a real excitement about the opportunities that are out there to really shape how they provide services, not just for the reward of saving money, which they want to do, but for the reason most people get elected in the first place: to make their communities better and to do better by their residents. Whether it is officials or elected Members locally, I have sensed a real enthusiasm for that, and a chance to do things differently.

There is a real problem sometimes, both centrally and particularly, in my experience, in local government, with saying—excuse the phrase—“We do what we do because we do it because we do it, and that is how we do it round here.” Occasionally, we do the right thing and we pause and ask, “Can we do this more quickly, better and more easily?” That is good but the Community Budget part is about using that management phrase of looking at the outcome that we want: “What is it that we want to make better for that resident and how do we best provide that?” That is a refreshing look. Without getting caught up in structures of governance, as the Secretary said, the local authorities have really jumped on this and are really quite keen to move it, both at the elected level and at the official level.

Q225 Mark Pawsey: The evidence we have taken is that people see this as a desirable process, but they perhaps see the nice incentive as being some money coming forward, so it is the right thing to do to invest now to save later on. Do the nice incentives include the provision of funds for people if they do choose to participate?

Mr Pickles: Most of this will save them money. I do not in any way retract from what I said earlier. The money is helpful, good and useful, but the most important thing in terms of making it work is the sharing of sovereignty and the surrendering of total sovereignty over your particular part of the problem. I can remember talking to a troubled family. We were talking about the different things that various agencies had wanted them to do. They talked about our people and I said, “Which ones are they? What do they look like?” They said, “We never see their faces. All we ever see is the top of their head while they are asking us the

same questions and writing down.” It is the ability for the various agencies to accept the piece of paper, those questions, as being answered.

Q226 Mark Pawsey: Secretary of State, a lot of these agencies very much welcome the savings that may come several years hence, but they would argue that it involves some investment now in order to enjoy that saving later on. What support is Government able to provide to justify that investment in the early years?

Mr Pickles: My dear friend, as if I would ever interrupt you.

Brandon Lewis: What I would say is two things: a lot of these things can be done locally, without investment. I have been talking to Suffolk, and I know places in the South West and Staffordshire as well are looking at a variation of what they would call a Community Budget, but doing it without necessarily being involved in the network and without bidding for money, just getting on and redesigning services locally to get better value for money and better outcomes for people.

I do not think you necessarily have to always tie things in with pump-priming, but equally we did make available, this year, the Transformation Challenge fund. Some of the areas that are looking at coming forward as part of that work are also putting bids together for that, because that is money that is available for people to bid for who are looking at doing things in an innovative way, which does cross over with this. This is the whole point: this is not about creating lots of different silos; it is about having that flexibility to look at what is right for that area and what people want to do in that area, which, as it becomes a better evolution and more embedded, delivers for the long run. There is an opportunity, therefore, for them to bid for some funding to help them, if they do feel they need some pump-priming.

Mr Pickles: Manchester would be a pretty good example. They had a problem there with a large number of children—about 40%—who just simply were not ready for school and for education. By going in there and concentrating, not only is it going to ensure those kids have a better chance in life, but it is going to save, over many years, large sums of money which could be applied elsewhere. It is not asking people, “Let’s all come and work together because it is a great thing to do and it will cut out duplication”; we are saying, “Let’s work together because we can deliver a better service to the person at risk, for example, from domestic violence, or to some child who does not have a proper education, or who has an immunisation problem,” because they will get a better chance. That is what I meant when I talked to Mr Betts about this being issue-orientated. It is not about governance or about sharing and balancing, but about delivering something better on the ground.

Q227 Mark Pawsey: Secretary of State, you spoke earlier about neighbourhoods being the building blocks of local government, so I detect within this process a wish to delegate down further. I wonder whether I might ask you about the role of district councils, for example, being the first tier of local government. Are they engaged and being provided with enough of a role within Community Budgets to play an active part?

Mr Pickles: They are coming in as planners and with responsibility for housing. Clearly, housing is often an important part of that process when you are dealing with a family and with problems. The short answer again is yes.

Q228 John Pugh: The LGA estimates in their report that, over five years, you could save £9.4 billion to £20.6 billion through the net benefits of Community Budgets, presumably, being rolled out across the country, which is like Eldorado in the current circumstances. Estimates do vary, though. What level of savings would you expect to see in the medium term if, for example, you rolled out activity like the pilots nationally?

Mr Pickles: It depends how quickly you roll them out, but I do recognise that there is a big difference between £9 billion and £22 billion. A billion here and a billion there, and you are soon talking serious money—I can see that. It depends on the level of commitment. We are already beginning to see some serious savings, so a figure pitched somewhere towards the middle of that is not an unreasonable one for us to go for.

It depends, however, on commitment. One thing that is certain is that it will save us money, but what I wanted to get across to the Committee, Dr Pugh, is this is not primarily about money but about delivering better projects. We often talk about the £9 billion it costs to deal with troubled families. What people forget is that £8 billion of that is reactive, so we are not necessarily delivering a better service, even if those families were to cost half or a quarter of that. They are not going to diminish the service because we are serving the centre.

Q229 John Pugh: Would it be worth a candle if you saved no money at all but simply got some of the other benefits, or is it a sufficient figure that justifies the arrangements and the organisation necessary to implement it all?

Mr Pickles: I do not want to give the impression that I am St Francis of Assisi.

Q230 John Pugh: I had not got that impression—a passing resemblance.

Mr Pickles: It might happen. This process does clearly save money, but I am not bothered whether it is £9 billion, £11 billion or £12 billion. It is about getting the benefit out of the system and, in truth, about reducing the graph of cost to the state. I think we will produce better services by them.

Q231 John Pugh: Presumably, Mr Lewis, you are assessing a lot of the pilots at the moment, and some are more successful than others. What criteria are you using? Would they be different from the criteria you might use over the long term?

Brandon Lewis: Again, it comes back to what you are looking to deliver. If you look at the pilots alone, they are looking at being able to deliver around £800 million over the next four or five years. I visited the Tri-borough last week, which is a good example of Departments working together. I visited with Norman Lamb from the health team, and we went out to see a family that has benefited from this work. Part of the reason Ernst & Young came up with £9.5-20.5 billion is absolutely around how far we go and how far we can roll this out, but there is also an issue around how you assess what you are saving.

For example, last week, when I was in Shepherd's Bush with Norman Lamb, what we saw was a definite saving for the health service, because we met with a family where the lady in the family had been to hospital five times in a month. Since the team from the Tri-borough integrated care had got involved, she had not been at all in the month or two thereafter. It was not that her condition had changed, but it was being better managed. There is a substantial saving there for the Health Service in not having that acute care for somebody who does not necessarily need it. More importantly, however, there was somebody who had been through an awful lot of stress, which in itself had made the condition worse, and who was now being looked after and treated in their own home, and had a much better quality of life even in just a few weeks than they had previously.

There is an awful lot to look at in terms of savings. In that case, the Health Service particularly is saving money. In the long run, however, as they are able to work more with people in their homes and, therefore, save people from going to hospital in the first place, there is that much bigger long-term financial saving. If the local authority is working with people who do not become as much of a burden on the state in the long run, they can save that money as well.

Mr Pickles: The Tri-borough has managed to reduce unplanned hospital admissions by 25% and care-home admissions by about 15%. From memory, I think they have saved £38 million annually. The truth, however, is that the people who have not gone in for those unplanned visits and who have not been inappropriately placed have had a much better deal. While you can say we have saved £38 million, we have produced something that is a lot better. Indeed, when we were going in to negotiate in the Spending Round, I always had particular client groups in mind in terms of whether or not we would be able to produce something that would benefit them.

Q232 John Pugh: Specifically, one of the problems some of the runners of pilots brought to our attention in a previous hearing is that, sometimes, there is a system saving insofar as we spend less on people in their homes than we would if they were in hospital. From the point of view of the local acute provider, however, that is a loss of tariff and, therefore, does not necessarily immediately benefit their financial position. I wonder whether this has been thrown up by the pilots and, if so, what has been the mechanism for addressing it. Sometimes, one organisation doing the right thing does not necessarily immediately benefit its own budget line.

Brandon Lewis: That also comes back to having to move away from being focused on the silos and towards looking at the bigger picture here. What I think is a great credit to all the pilots, from having talked to them, is their not having people arguing or making the point about needing to protect their part of the budget; my experience has been very much about those areas looking to provide the best possible service, product, outcome or life experience for those individuals, being very focused on that and understanding the bigger picture.

Again, coming back to the point the Secretary made at the beginning of this session, it is about not getting so caught up in form, but getting the outcome correct. The Tri-borough is a really good example. Essex is looking at something with skills too, but the Tri-borough in particular is working with schools and further-education-providers to focus on work and skills. They are looking to support around 3,500 young people to get them back into work. That has potential savings of about £10 million, as well as much longer-term savings than that. If we can get that early-intervention work working correctly and get people on the right line in the first place, there is a better outcome and life quality for them, but also a saving in various areas around the wider public sector as time goes on. There are huge benefits there.

One of the most refreshing things in talking to the pilots and some of the partners, who are not necessarily obviously part of the pilots but certainly are agencies working with or affected by them, has been this real coming together and understanding that we are working for something bigger than any one person's silo, organisation or remit, but trying to make something very different and radical for the benefit of everybody at the end of the line. That has been one of the most refreshing and exciting things about this.

That has been a positive infection through the sector and why we have so many areas now wanting to be part of the network, bidding for the Transformation Challenge fund and wanting to go forward. Many areas, as I noted earlier, which are suffering with health, particularly down in the South West, are looking to just get on with it and are not waiting for Government Departments and Whitehall to do things. They are just getting on with it, which is a great way forward, because it means it is driven locally, based on local need and expertise.

Q233 John Pugh: Secretary of State, you have been very keen on getting local authorities to look at their proactive role in encouraging local economic growth and such. I am very supportive of you doing that, but is that a legitimate object for Community Budgets?

Would that be incorporated in the objectives of any Community Budgets as a more proactive, forward-looking role of the local authority?

Mr Pickles: I cannot see any problem in bearing economic activity in Community Budgets. Indeed, I have no problem in terms of them moving out of there. What Manchester is doing with early intervention with young people will have an enormous economic effect in terms of Manchester's ability to compete. It might not be immediate.

Q234 John Pugh: Economic growth has not been a focus so far, has it, in the pilots?

Mr Pickles: No, I do not think it has been very heavily. I cannot think of anything particularly. Can you, Brandon?

Brandon Lewis: No, other than the work on work and skills that the Tri-borough is doing and, certainly, Essex has been looking at too, because that has an impact.

Mr Pickles: Cheshire West have been doing some stuff on worklessness issues. Indeed, in terms of Troubled Families, one of the criteria is to get people back on to the road and to work. I saw some people in Wandsworth who were virtually unemployable not so long ago taking those first tentative steps. You cannot get social wellbeing without the ability of somebody to be able to get economic wellbeing.

Q235 John Pugh: It is not excluded.

Mr Pickles: No, it is not excluded.

Q236 John Pugh: I have a question of the Chancellor tomorrow on the merits of Community Budgets. Do you have any tips? Is there anything you would like me to ask?

Mr Pickles: I shall smile.

Q237 Chair: Coming back to the economic-growth issue, we had evidence from Essex the other day, who were saying that they are not a city, so they do not get the City Deal approach to economic growth. They were trying to use their Whole Place Community Budget to focus on that as an element, and they had had a very unhelpful response from BIS, who said, "We have a national way of doing things. We have national programmes. You fit into these; otherwise, we are not going to be involved with you." Is that not the sort of approach that we ought to be trying to change?

Mr Pickles: We are there to smooth these things, Mr Betts. We are there to bring out the loving Government. I have not come across that particular problem. Part of the City Deal and some of the stuff they have been doing with regard to training is pretty damn exciting and, I reckon, is the future. BIS has been particularly helpful in that approach, and I am sure we can take that helpful element and replicate it in non-city areas.

Brandon Lewis: To be fair, BIS are working with us on the Local Growth teams as part of the Transformation Network too, so they are involved.

Q238 Chair: There is an issue raised, however, which I am sure you can have a look at.

Mr Pickles: Yes, an issue about skills, and I recognise that.

Q239 Mark Pawsey: Secretary of State, we have taken lots of evidence in our inquiry so far supporting your assertions about the savings that could be made through early intervention, but have heard concerns that, very often, the savings are achieved in an agency other than the one that is making the investment. That was the example that Mr Lewis just gave, with the savings to the health service through an investment made through the local authority. How do you think we should deal with that?

Mr Pickles: Pool finance and pool sovereignty; that is the only way to go. I think these pilots open the door to that, but it is a big thing to do. As in the City Deals, where you are putting something together, it is a very big stretch to say to local councils, “We are looking for you to pool your finance and your resources, and to have a single pot to deal with.” It is a big thing to do, particularly when, as you rightly point out, one agency is making all the savings, but the truth is, unless you have the co-operation of the other agencies, those savings are not going to be made.

Q240 Mark Pawsey: Nobody disputes that it is exactly the right thing to be doing for the community as a whole, but there are natural reservations, particularly in institutions that have been brought up with a lifetime of silo-thinking. How can we push the change-thinking forward?

Mr Pickles: I think we can. We can push it from Government. I have noticed this particularly on Troubled Families: that, for one or two of the key problems that we have had, it has been the local Member of Parliament that has brought the different agencies together and—“shamed” would be wrong—persuaded them to work together. That applies right across the piece, regardless of political affiliation. Everyone in authority really should be doing their best to try to say, “This is our location, our area and our community, and we are going to sort this out.”

Q241 Mark Pawsey: In terms of a community and various agencies, do you have a view so far about whether the savings accrue mostly at a local level or at a national-agency level? Has any assessment been made, and does it matter?

Mr Pickles: To misquote Tip O’Neill, all savings are local.

Q242 John Stevenson: I just want to touch upon data-sharing, which is an ongoing issue for many organisations. Is data-sharing something that localities can now do with their own systems or are there still barriers to data-sharing which need to be addressed centrally; for example, introducing legislation to assist?

Mr Pickles: Use of legislation can be important. It is a frustration that I think the health service feels with regard to some local authorities, particularly records of discharge. I would recommend a visit to—I must get it right—Salford. I am pretty damn sure it is a place in Salford. They have a motto which is “dare to share”. Most of the barriers against sharing data are entirely artificial. They are entirely “the computer says no”. They have gone about a process of sharing data and working really well in that process, but the Government is committed to underpinning anything, if it is necessary. A lot of it is bogus.

Q243 John Stevenson: You do not see it as being legal barriers, but more cultural.

Mr Pickles: It is the kind of advice whereby officials, between their teeth, say, “That is a very brave decision. Our legal team says there may be data-protection issues.” We saw last week a data-protection issue that just disappeared when people made enough sound about it. What we want to do is to be able to share information about people to get a better position. If you are going to have a big case conference about a particular person’s problem, people need to be able to go to that case conference in good faith and have a single plan, not a multitude of plans, some of which rub up against one another. We tend to count the pennies and the pounds, but it is about ensuring somebody has a better chance.

I am very committed to this process, I have to say, and it is one of the things that entirely motivates me. I have, even in this very limited time, seen individuals’ lives turned round by this, in the full and certain knowledge that there are children in the family who are going to get a better deal than they would otherwise have done. We have a very low level of

absenteeism from people engaged in this kind of activity. We have all known we have needed to do something like this for a long time. We have this chance to make these changes.

Q244 John Stevenson: Sharing data can assist in what you are trying to achieve.

Mr Pickles: Yes.

John Stevenson: Therefore, if it was brought to your attention that there were legal barriers in the way to data-sharing, would you legislate to change that?

Mr Pickles: It is a brave Secretary of State who says, "Just send me out. I will get a bit of legislation through. Don't you worry." I would be very keen to know any barriers, and I will give the undertaking that I would work really hard to see if those barriers could be overcome, either by legislation, secondary legislation, guidelines or silver-tongued eloquence.

Brandon Lewis: The transformation network is looking at whether there are barriers. Coming back to your point, Mr Stevenson, quite a lot of these barriers are not legal or real; it is either an officer who has read something and taken it to a gold-plated level, using that colloquial phrase, and breaking through to the reality of being able to share far more data than we sometimes realise.

A really good example of this, using a different part of my remit, is the fire service. Fire chiefs will regularly say to me that about 95% of the fire incidents they go to are predictable, if they had the data-sharing about who it is and the type of person who is there. They have some really good examples of this. Recently, Hertfordshire County Council have set up a room in a secure area, which is run by the police, in which there is the fire service, police, social workers and healthcare workers all working on their own systems, for their own departments, but in the same space.

That light-level bringing people together has meant that data-sharing is so much better; it has had an impact on dealing with antisocial behaviour and with the amount of fires or callouts they are dealing with, just through data-sharing. They have done in it a very simple, light-touch way, because they just decided that they wanted to break through and do it, rather than getting caught up in a rigmarole, and it has had a massive impact.

There are some really good examples out there. It is part of the job. One of the good things about an inquiry about this is starting to share some of those good practices, so that other areas can see that they can do this and that they should get on with sharing data, because it is one of the best ways to drive out duplication.

Mr Pickles: You cannot, however, stop the unreasonable jobsworth. Going across other responsibilities, we had an official saying that councillors could not set the council tax in their area, because they paid council tax. That was clearly nuts, but it took us a while to find someone to explain in normal language that it was nuts.

Q245 Simon Danczuk: You have announced this morning an extra £200 million to further expand the Troubled Families programme. Where has the money come from and what have you had to surrender to get it?

Mr Pickles: I am delighted to say that this is coming from all Government Departments. We will, in due course, be publishing a breakdown. It is because it has been a success. No one can doubt that it has been a success. A member of this Committee was expressing uncharacteristic worries on my behalf that I might have taken on something that, ultimately, we were going to fail, but we have not. I think we can now move to another 400 who are not as acute as the 120, but who nevertheless still have problems and the same criteria: kids into schools, people on the road to work, and a reduction in antisocial behaviour. I have surrendered nothing other than a great pool of gratitude to my fellow Cabinet Ministers.

Q246 Simon Danczuk: Let me come on to that. On Saturday, I was reading the excellent *Telegraph* newspaper, as you would expect me to.

Mr Pickles: Steady, these things are broadcast.

Simon Danczuk: It pointed out, as you have, that, in total, around £9 billion a year is spent on troubled families from across a number of Whitehall Ministries. The truth is that £200 million pales into insignificance in terms of what these Departments are putting in. Surely, DCLG should expect to get more than £200 million from across these different Departments to contribute to what is a significant problem in terms of troubled families.

Mr Pickles: Next time I go and negotiate, I will take you with me. But take the £9 billion and then look at the £8 billion that is just reactive. Think in terms of places like Greater Manchester saving money over a period and getting kids ready for school. Think about the stuff that is being done in terms of the Tri-borough and stopping unplanned admissions. Think about all those various things.

£9 billion is not spent wisely. We can deliver a better service and pull that cost out. We are putting in money. We are putting in a smaller sum to help this process than local government is itself. If you ask them, "Is it making a difference?" I think the money does make a difference, but it is the political commitment that they see from the Government, but what they also see from their local council, which may or may not be Conservative, and from their Member of Parliament, who may or may not be part of the Government.

For a long time, we have all known we had to do this, but this is a unique window to get on with the process. I have been very heartened by people who would not normally give me the time of day in terms of the effort they have put in on this. The £200 million is there for us to start to tackle that, and remember that the different agencies themselves will save money in the process of that engagement.

Q247 Simon Danczuk: You earlier described the Troubled Families programme as a success, but the truth is that 118,000 troubled families have been identified—they are your figures. The reality is that 82,000 of those have not yet been worked with, and a staggering 116,000 have still to be turned around, so the reality is only 2% of families have yet been turned around. What were the reasons for expanding the Troubled Families programme further to cover another 400? You have only done 2.2%.

Mr Pickles: I brought the programme here, a programme where we are ahead of where we said we were going to be. These are not exactly easy families to deal with. I am pretty convinced, by the end of this Parliament, if we have only been going a year or so in terms of getting these people in place, that we will increase exponentially. We are ahead of where we said we would be right now, and I think it is pretty impressive. Going through the process of dealing with the Treasury, they are not people of laughter and happiness, and not easy to get along with. Getting this money, we are going to have to show the kind of progress that we make, so I am pretty pleased with where we are. We are in a very good place and we are ahead of where I promised it would be when I talked to this Committee.

Q248 Simon Danczuk: I have a final quick question, Chairman. We talked to some practitioners earlier around the Troubled Families programme and we discussed the problems and the failures within the Work Programme in terms of getting people back into work. How worried are you about the fact that the Work Programme is just not working in terms of getting people into employment and that it will impact adversely on your programme?

Mr Pickles: The important thing about this, when I took it on, was I wanted to ensure that troubled families were being treated in exactly the same way as a non-troubled family, for want of a better description. I need to get those folks on the world towards work. What I have seen is that it has been pretty effective but, no doubt, you may want to put those points

to another Government Minister. The point I am making is I will operate under any conditions and under any circumstances. What I was determined to do was no different from the Troubled Families; I didn't have to climb over an additional hurdle to get there. However the Work Programme operates, I work within it.

Q249 Chair: I would make one additional point there. We talked before about this issue of accountability. Taking your point on board that, in the end, it is about services to people, and making sure that they are joined up properly and that it is not about different agencies working in completely different ways, there are different funding streams coming together as part of this process. Your Permanent Secretary, some time ago, wrote a treatise for the Public Accounts Committee on the accountability of public spending, which was a riveting bedtime read, I have to say.

Mr Pickles: I bet it was. I see him regularly. He is a bundle of fun.

Chair: I just wondered whether you were satisfied now that this issue of accountability of spending had really been sorted out in terms of the bringing together of money from different Departments in different ways.

Mr Pickles: I think so. I have no reason to believe that that is not the case. I have been keen for us to try different things out. I have not been prescriptive either in the four pilots or in Troubled Families, and while I cannot bring to your attention an instance where things have gone terribly wrong, I do think that, sometimes, we become so uptight about, "What if this goes wrong? What will the Select Committee say?"

Chair: You said it with a straight face, Secretary of State.

Mr Pickles: I constantly worry about you, Clive. On something like this, you have to allow people the freedom to come up with local solutions, to try things out, and not come down on them like a ton of bricks if they have gone about the process honestly and reasonably and took a calculated decision. However, I cannot think of anything where something has gone terribly wrong. Apparently, Brandon has.

Brandon Lewis: Where we are going with the network and what we have been saying to people around the Community Budget pilots themselves is the reason they are interested is because they are innovative. If we are going to innovate, we have to be prepared to see areas try things out. One of the things I have said constantly at conferences and directly with areas that are looking to become part of a network or are bidding for the Innovation Fund is to not be afraid of trying something different.

By definition, the Secretary is absolutely right: there will be some things there as we trial that will work brilliantly in one area and not necessarily in another. We have to have some trust, to allow people to look at what they think is right for them locally, see those kinds of innovations and to have the courage to be prepared to see something tried that may or may not work perfectly first time. That is the best way to learn and move forward.

Q250 Andy Sawford: We had evidence from a local authority involved in the neighbourhood-level pilot, who said, "It feels like we are playing second fiddle to the well publicised and well resourced Whole Place pilots." Do you accept that the neighbourhood budgets are the poor relation?

Mr Pickles: No, I do not accept that. Did they say specifically why they felt that they were somehow not getting the love that they should?

Q251 Andy Sawford: Yes, they are running six months behind and they feel like they have not had the same resource; for example, the secondments and so on into them. It relates to my second question, which you might take together, which is what your expectations are of the neighbourhood budgets in terms of the evidence that they might provide. Those that we

have spoken to feel that you expect the same quality of evidence from them as from the Whole Place pilots, which may not be fair.

Brandon Lewis: There are some really good examples. Many of these are dealing on a different level, obviously, because they deal at a smaller, district level, so they have a different approach. Ilfracombe, for example, is managing a £1 million budget, with its £400,000 aligned budget to provide place-based services. What we have been looking at is how we go forward for the next stage.

We will be making some announcements soon around the support we provide to other areas who want to get involved with this. To an extent, we need to move away from Neighbourhood Community Budgets and Community Budget pilots, because this is all part of that transformation of the public sector and how things are delivered, and looking at new ways of delivery that are created locally and devised locally. They can benefit from having that interaction with the centre to understand how they can access these, but it is about what is delivered locally.

One of the real strengths behind that—and you can look at some of the things that have already been happening, both in Community Budgets and Neighbourhood Community Budgets—is that it therefore becomes much more embedded. It is not somebody in Whitehall saying, “This is what we think will work for you.” That neighbourhood has come together and said, “This is what we want to do and this is what we think is right for us, and how we can deliver it.” They are just as exciting. They can be on a different scale but it does not mean that they are less important or less exciting than the Community Budget pilots themselves.

Mr Pickles: They probably work their best when they have been trying to do something. Balsall Heath was about road safety. The one in Poplar was about dealing with health issues and a particular problem around diabetes. You raise an interesting point, because, again, I think you get more progress when it is really issue-orientated rather than saying, “Let us find a way in which we can all work together” etc. There are some operating quite big budgets. One must be worth about £400,000.

Brandon Lewis: It is £450,000. What they are looking at is how they can develop the appearance of their own town and how they can get more young people into work, working with local businesses and bringing things together. Then you see other areas that have examples of this. In Poplar, we are talking about £4 million of savings, potentially, over the next few years. Other areas are effectively doing these kinds of things and have seen what is going on, and are just getting on with it.

For example, on Saturday, I was in Sevenoaks, where the town council has come up with a fabulous scheme to get more people into the town centre, working with local businesses, taking the absolute ethos of what this Neighbourhood Community Budget is about and just delivering it for themselves locally without waiting for central Government to get involved. They have just got on and delivered it, and there is a fantastic product there on offer in terms of taking people from local tourist attractions and bringing them into the town, which helps them with car parking, as well as getting the local cinema going again, with a youth centre in it, working with young people there and getting them involved in local businesses. They are bringing everything together in a very cohesive way, which just has not been there before. They are not doing that because they are part of the Neighbourhood Community Budget, but it is the same ethos.

That comes back to my earlier point: what has been really exciting about this is the areas like that, who are just seeing what is going on around, because everybody is talking about it, which is part of it, and are just getting on with it. We are seeing a real shift and change in how those neighbourhoods work.

Mr Pickles: Having said all that, you are making a reasonable point, and it is something I should definitely have a long, hard look at.

Q252 Andy Sawford: The evidence comes particularly from district councils, so the examples you gave of neighbourhood pilots were not districts, I do not think, and there is a particular challenge for a district, for example, of employing an analyst, if you think about their overall resources. Just a final question, if we have time, Chairman: what should we be looking for in the Spending Review on Wednesday in relation to moving forward Community Budgets?

Mr Pickles: There have been some pretty broad hints dropped today with regard to troubled families, but you will forgive me, Mr Sawford, for saying that there is nothing more limiting to a Cabinet Minister's job prospects if they say too much about what the Chancellor is about to say.

Q253 Andy Sawford: When is the date for the announcements around Community Budgets more specifically? There will be follow-ups, won't there, from Wednesday?

Mr Pickles: There will be follow-ups. It is going to be on Wednesday, and then there will be a further statement on capital programmes. I am sure you will go through the small print there.

Q254 Chair: I am sure we would not want to push you any harder, Secretary of State, so that you have to experience the Work Programme first hand. Thank you very much indeed, Secretary of State, for coming to give your evidence to us this afternoon. I think, Minister, you have kindly agreed just to stay and answer a few questions about London governance. Thank you very much.

Mr Pickles: Could I thank the Committee? I am looking forward to this report. I think it is the future of local government. Everyone here has a lot of experience and I would like this report to move the whole thing on a little bit.

Chair: Thank you, Secretary of State.