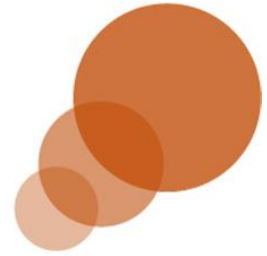




LOTTERY FUNDED

# Peninsula LIST



## INTRODUCTION TO LIST

### CONTEXT – WHAT IS THE PROBLEM A LIST IS AIMING TO FIX?

1.1 It has long been recognised that a key barrier to effective use of the public purse is that the public body required to make an investment will not necessarily be the organisation that derives the benefit. It is very clear that an approach that achieves a common public purse to pay for outcomes could provide significant improvements and savings. What has not been clear to date is how that is to be achieved.

### 2 WHAT DOES A LIST DO?

2.1 A Local Integrated Services Trust (**LIST**) is a legal mechanism that allows public bodies in an area to integrate budgets and co-commission; overcoming the problems of funding silos that could otherwise prevent a service being commissioned because the body that will benefit from a service is not the organisation that needs to commission the service.

2.2 This is unlikely to be an all or nothing situation and often there will be multiple public bodies that benefit from improved social outcomes, including the public body that has the power to commission services. So, for example tailored intensive support for troubled families would need to be commissioned by a local authority and could provide benefits to the authority in relation to reduced care costs. In addition the early intervention service is likely to result in savings for the police and health providers through reduced demand. Whilst the local authority may not be able to make a financial business case for such a service on its own, with the police and health commissioners committed to payments that reflect the benefit they receive, the business case becomes viable.

2.3 A scalable approach to early intervention requires a means of joining different public bodies' interests and budgets together in a legally robust way. This is the role of a LIST.

### 3 WHAT IS A LIST

3.1 A LIST would be a separate legal entity, wholly owned by public sector bodies within a particular local area. The structure works by the public bodies using the LIST as a vehicle through which they contract to commission services and make payments where they benefit from the improved outcome. The LIST would contract with service providers (who could be from the public, private or third sectors) to deliver the service. The LIST acts as a legal and financially transparent box through which services can be delivered and financial benefits collected from across the public sector.

3.2 Importantly, the LIST would be a permanent legal structure that public bodies in an area could use for repeat projects that are centred on cross public sector working and early interventions. This would cut down on duplicated transaction costs over a wide range of multi-authority and early intervention projects and help improve deliverability, as decision makers from across the public sector would have a clear and proven way of delivering projects.

### 4 INVESTMENT

4.1 A LIST would typically be used for delivering early intervention services predicted to produce savings, raising the question of who will take the risk of the service being effective, i.e. paying for activity up front to provide savings that will accrue in the future. Where there is such financial pressure as well as on-going demand for reactive services, this is challenging.

4.2 A LIST is flexible as to the source of funding for the early intervention activity. A first consideration will typically be whether a public body could fund the activity. Where this is not viable, the state could look to third parties, e.g. social investors. A LIST can act as a conduit for social investment, as it provides a transparent vehicle for investment and overcomes what has been identified by the Cabinet Office as the main barrier to the greater use of social investment - "*aggregating benefits and savings which accrue across multiple public sector spending 'silos' in central and local government*".