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## Preparing and delivering a Community Budget The Community Budget pilot programme



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Designed and produced by The Creative Studio at Deloitte, London. 27057A

# Preparing and delivering a Community Budget

## The Community Budget pilot programme

Community budgets are a new way of giving local authorities more control over how they spend money in their areas. Designed to encourage innovative approaches to service delivery, they have the potential to transform local communities. Community Budgets are focused on devolving control of local spending to councils, freeing them of centrally imposed conditions. They are intended to deliver 'better for less', to drive down overhead costs by redesigning and integrating front line services across organisations in the public sector, pooling and devolving budgets, supporting local delivery and thereby improving local outcomes.

During 2012, 16 areas taking part in the Department for Communities and Local Government's pilot programme prepared ambitious plans for Community Budgets. These ranged from plans to pool public sector resources across a range of service providers, to strategies for deploying resources locally and encouraging local involvement in decision making.

Deloitte has been helping to shape the Community Budget programme, which is now being rolled out nationally. Working with both 'Whole Place' and smaller 'Neighbourhood Community Budget' pilot areas, our economic development team has identified cashable savings, and co-designed services to deliver 'better for less'. We have also produced evidence showing possible reductions in service demand, and prepared plans to transform service delivery.

Drawing on this experience, Deloitte has developed the following approach to preparing and delivering Neighbourhood Community budgets.

## Making the case for a Community budget

Preparing a community budget is about doing things differently. It's about challenging the norms. That means examining the way services are currently delivered and making a case for delivery either at a more strategic level, in the case of Whole Place community budgeting, or at the local level, in the case of Neighbourhood Community budgeting.

Making that case is critical. Public sector agencies need to be confident that outcomes will improve if they pool or devolve funding. But the case for each type of Community Budget is different. For Whole Place community budgeting, the argument rests on achieving economies of scale. For Neighbourhood Community budgeting, on the other hand, it's about demonstrating that the benefits of local service delivery outweigh those associated with delivery on a wider scale.

## How to create a community budget

We recommend that neighbourhoods take the following steps when preparing a community budget.

1. Understand your baseline. Prepare a rigorous evidence base to underpin your neighbourhood community budget. Determine how public money is spent in the area and who uses public services. Understand how your local community perceives public services – the good, the bad and the ugly. Where are the gaps in service delivery and what services would local people be prepared to drop in order to do more in other areas?
2. Determine your priorities. Bring residents, community leaders, and local representatives of public and third sector agencies together to agree priorities for action. Consider what the evidence is saying. Does it fit with local people's views on the issues your area is facing? If it doesn't fit, why not? If there is a mismatch between your data analysis and local opinion, what could you do to bust widely-held myths and set new priorities backed by hard evidence?
3. Mobilise the community. Use techniques such as community organising and customer journey mapping to gain insights into the area's key assets and how to use these to overcome major issues. What kind of support does a jobseeker in your area currently experience? What works and what doesn't?
4. Open up challenging discussions with public sector agencies. Challenge the norm. Can you make a case for delivering services at a local level, or pooling budgets at a more strategic level to improve outcomes?

If your evidence base is saying you can, and you have the backing of local people, you can make a compelling case for changing the way that services are delivered. Look to create a 'coalition of the willing', for 'doing more for less', but recognise that all its members have to bring something to the table. They have to be willing to change for the better.

5. Co-design programmes and projects. Seek to create proposals for your community budget that are truly co-designed. In order to achieve this, residents, as well as third sector organisations and community groups, must feel able to participate in the design process. Run workshops, take your messages out to community groups and think about how you communicate your ideas. Keep your evidence based approach, but be open to change to achieve consensus.

6. Determine the costs and benefits of intervention. Get into the detail of your proposals. What are the real costs and what are the true benefits they will bring? Who will realise these benefits? If Whitehall departments stand to benefit from any savings, can you open up discussions with them about sharing or ploughing savings back into the proposed local interventions? And where other agencies are set to benefit from your proposals, can you discuss opportunities for pooling and / or devolving budgets with them? Consider preparing a cost benefit analysis that maps out benefits over a defined timescale and gives you the evidence to prove the viability of a project in investment terms, as well as a tool to negotiate funding opportunities.

7. Get a mandate to proceed. Encourage all partners and stakeholders, current and target, to sign up to working together, and negotiate draft 'heads of terms' if necessary. Be serious about buy-in and engagement - and confident about your proposals. Your baseline analysis and understanding of the costs and benefits of proposed interventions will give you a robust framework to work from.

## Determining the scale of the opportunity

Creating a community budget is not easy. You will need to have challenging conversations about redesigning services to meet local needs. You will also have to manage relationships with a range of different partners and stakeholders, all of whom are likely to have different needs, issues and concerns. In our work on community budgeting, Deloitte has identified a set of key themes to consider for neighbourhoods when preparing their own budgets.

### 1. Set your ambition high

Community budgets need to be ambitious. So start big and scale back if you need to make changes to deliver your budget.

### 2. Challenge the norms

You need to match data with community / customer insight. Don't be afraid to challenge perceptions if community or customer insights and data do not match.

### 3. Effective stakeholder management

You need to have a plan of how you will manage your stakeholders. Aim to achieve buy-in and maintain consensus, but do not be afraid to challenge stakeholders when necessary.

### 4. Quantify outcomes

Be rigorous. Prepare your evidence base and be confident in it. Pay attention at all times to how you can pool, align and / or devolve budgets to deliver your plans. Think about the private sector and how it might participate in your community budget. Can you develop proposals for social investment, for example?

### 5. Be forward thinking

Does your community budget proposal involve pooling, devolving and / or redesigning services across public sector agencies? If so, you will need to consider building your proposal into their forward business plans. Ideas are one thing – delivery is quite another issue!

By steering clear of these pitfalls and taking the steps that we recommend, any neighbourhood can unleash the power of Community Budgets to bring about real change and benefit local residents.

# Community Budgets in practice: Team White City

Deloitte has been working with the London Borough of Hammersmith and Fulham since the start of 2012 to prepare a Neighbourhood Community Budget for the White City Opportunity Area (WCOA). Under plans for regenerating this area, a total of 43 acres of brownfield land will be redeveloped over the next 20 years to create thousands of new homes, shops, restaurants and offices. Prominent sites marked for redevelopment include the BBC's former Television Centre, while the Westfield London shopping complex will be expanded.

This is a once in a generation opportunity to address some of the major issues facing the area, including high unemployment and health inequalities. So the vision for the Neighbourhood Community Budget, known as Team White City, is ambitious. In 10 years, more local residents will be working families, with children who are skilled, educated and able to take advantage of the many employment opportunities on their doorstep. The influence of residents over how public money is spent and how services are delivered will also create a stronger sense of community.

The Team White City Plan sets out to achieve this vision. Developed in partnership with public sector agencies, residents and community organisations, the plan shows how significant fiscal, social and economic benefits can be delivered. It demonstrates not only that savings are achievable, but, just as importantly, that there are real opportunities to reduce future demand for public services, increase social responsibility and empower the whole community.

"Team White City has been on a journey in 2012 and will continue this journey into implementation in 2013. Through co-design, local people in White City have worked with us to set the priorities for intervention. Partners across a range of service areas have supported us in preparing a transformational plan that has been endorsed by CLG, our Members, our partners and the neighbourhood community forum. The next stage for us is implementation. We will be supporting local setting of priorities and ambitious service co-design, with the aim of achieving better outcomes at reduced cost. We have the evidence base to support our plan. We want the implementation phase to result in 'business as usual'. Our community budgeting programmes will transform service delivery forever – this is about long term, structural change."

*Melbourne Barrett, Executive Director for Housing and Regeneration at the London Borough of Hammersmith and Fulham*

"The White City Neighbourhood Community Budget is doing fantastic work in trying to engage the community to develop new ways to serve their needs – and identify opportunities for savings. When I attended their advisory board meeting, I was impressed by the depth of work and the way people are working together to try new things and take responsibility for their role in ensuring the project improves their community."

*Simon Ridley, Director General, CLG*