

# Place-based budgeting

## Designing more cost-effective services around people and places

Making major savings means doing things differently, not just more efficiently. The more radical thinking from Total Place can help public service providers to do this as they prepare for the impact of place based budgeting.

This is a system whereby all of the tax pounds spent in a local area, be it by Councils, the NHS, central government departments or quangoes, are pooled to focus on the real local needs of citizens.

There are two underlying principles to place-based budgeting. Firstly the design of services around places, rather than top-down service boundaries, aims to reduce duplication and maximise collective effort. Secondly, the design of services around people with the aim of having the optimal impact at the right time – that is, before a problem arises that requires more expensive public service provision.

### Our response

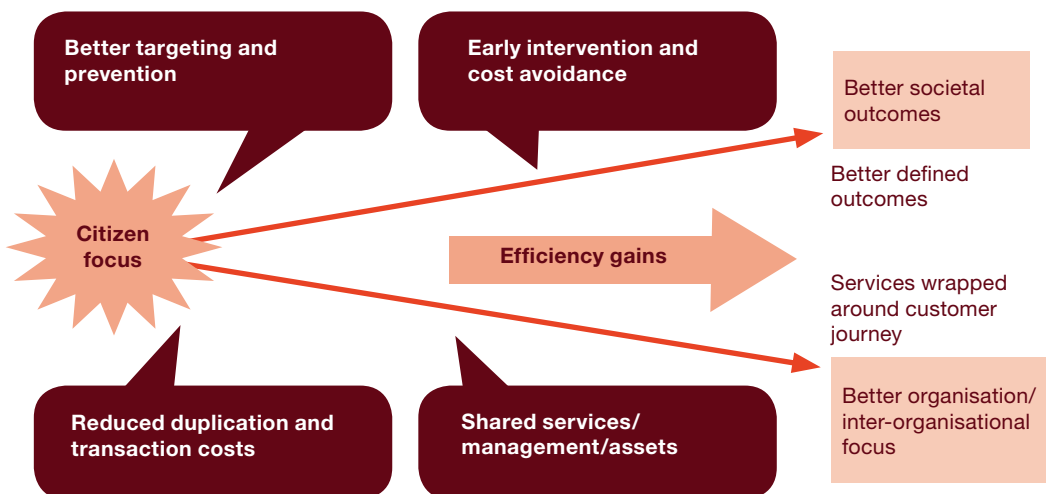
PricewaterhouseCoopers LLP (PwC) has developed models of intervention that are ready for your organisation to implement now. Our approach recognises the multi-layered nature of the outcomes clients need, including:

- A strong analytical case for change
- Driving out short-term savings to fund investment required to reduce long-term costs
- Seeking external finance, such as 'social investment bonds'
- Taking savings out through closing things down

### The benefits

Public service providers are used to collaborating, however the benefits from place-based budgeting go well beyond collaboration, and include:

- A strong focus on prevention, and early intervention
- Integrated service delivery with improved outcomes
- Shared or common leadership across public sector bodies for joint impact in an area
- Experimentation and innovation with strong challenges to existing organisational and professional boundaries
- A drive to transcend "organisational DNA" while recognising that the pull of the professional discipline remains strong



## Our approach

While each area and each service is different, PwC's approach has been developed to produce an evidence-based plan for change, with engaged partners who are "bought in" to the objectives of area or theme based planning for better service outcomes.

- **Analysis** – we have a wide network of worked examples and good practice. We can help with customer engagement techniques
- **Assessment** – is vital to get partners and service delivery staff on board and to help with the hard choices around costs and benefits
- **Design** – is always around the customer and based on optimising outcomes – balancing those for the citizen and the state
- **Implementation** – will balance quick wins with longer term savings from prevention and early intervention

## Our experience

PwC has worked with both pilot and non-pilot areas to produce Total Place analyses as part of the government's programme and has already been engaged by a number of large and small Councils, and LSP's across the country.

We are currently working with Whitehall departments on themes relating to early intervention and new delivery models, and have also worked with voluntary sector chief executives to develop their Total Place thinking.

PwC has also worked with London Councils to map public expenditure across London and produce a strong case for change to the way in which services are delivered. The report outlined a blueprint for re-configuring services and cutting almost 15% from the £73.6bn spent in the capital.

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