Local Trust
trusting local people

Why do some Big Local areas not spend according to plan?

A version of this paper was published internally by Local Trust in May 2019. This version has been lightly edited to make it accessible for a general audience, with core terms and concepts explained wherever possible. Please refer to our website for more information about the structure and goals of Local Trust.

Introduction

Big Local is a resident-led funding programme providing people in 150 areas in England with £1.15m each to spend across 10–15 years to create lasting change in their neighbourhoods. Each Big Local area is required to produce a plan. This is a document they write for themselves, their community, and Local Trust.[1] It is a guide and action plan that the partnership can follow, share and use to get others involved.

We know that some Big Local areas do not always deliver exactly according to their Big Local plan. However, until now there has been no systematic investigation into why this is.

One way to see if an area is 'not going to plan' (NGTP) is to look at whether they are spending according to the planned expenditure they submitted to Local Trust. While a degree of departure from planned expenditure is normal (many Big Local areas deviated from their planned expenditure between 2016-18) there will be a number of areas which have diverged from their plan to a higher degree than most. The purpose of this research is to investigate these areas (referred to in this report as NGTP areas) to understand why they did not spend to plan.

The report explores how 29 NGTP areas compare to other areas and highlights the differences between them; and summarises in-depth analysis of nine NGTP areas (which had deviated from planned expenditure the most) and the characteristics they share.

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1 Local Trust is a place-based funder supporting communities to transform and improve their lives and the places in which they live. We believe there is a need to put more power, resources, and decision-making into the hands of communities.

The findings are categorised under the following themes: challenging relationships, conflict, and complaints; support from Locally Trusted Organisations (LTOs)[2] and workers; the realities of delivery; Big Local partnership skills and capacity.[3]

The project did not collect new data but relied on sources that we had available internally between 2016-2018 on 29 areas which were identified as 'not going to plan'. A full methods section is available at the end of this paper.

Findings

Summary

NGTP areas were more likely to have experienced a change; a smaller proportion had delivery timelines and budgets that were realistic and clear; they were less likely to have an LTO that shared appropriate financial information; and were more likely to have accessed dispute resolution support in the last 12 months. The nine NGTP areas we reviewed in depth had experienced challenging relationships, conflict, or complaints from people within and outside of the partnership. Areas did not always receive quality and consistent support from LTOs and workers.[4]

Projects and activities took longer to set up and deliver than anticipated. Areas underestimated how long it would take for activities to get going. Partnerships also changed what they wanted to deliver.

Skills and experience in relation to project and contract management were highlighted as issues in some areas.

- A higher proportion of the 29 NGTP areas experienced a change in chair, LTO or rep.
- A smaller proportion had delivery timelines and budgets that were realistic and clear.
- A lower proportion had partnerships that made decisions in a timely or appropriate way.
- They were less likely to have an LTO that shared appropriate financial information.
- A smaller proportion felt their LTO shared timely financial information.
- Areas were more likely to have accessed dispute resolution support in the last 12 months.

The nine NGTP areas in depth: an overview

During the in-depth analysis of these nine areas, a number of recurring themes emerged from across the areas that could help us to understand why they were not able to spend according to plan.

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2 A locally trusted organisation is the organisation chosen by people in a Big Local area or the partnership to administer and account for funding, and/or deliver activities or services on behalf of a partnership. Areas might work with more than one locally trusted organisation depending on the plan and the skills and resources required.

3 A Big Local partnership is a group made up of at least eight people that guides the overall direction of a Big Local area.

4 Many Big Local partnerships fund workers to support the delivery of Big Local. Big Local workers are paid individuals, as opposed to those who volunteer their time.

Challenging relationships, conflict, and complaints

Challenging relationships affect progress

NGTP areas experienced challenging relationships or clashes in personality, often within the partnership itself. This could have been a personal issue between members or something involving the leadership of the group.

Relationships with those commissioned to deliver activities for the partnership were also a cause for some concern. Partnerships struggled to get invoices from partners for their work, found it difficult to engage with partners about the progress of the projects funded, and on occasion were unhappy with the quality of the project delivered.

Conflict and complaints slow things down

Most of the areas experienced some form of conflict or complaint. Conflict could be between partnership members, the partnership, and their workers and/or LTO, or between the partnership and someone in the community. A few experienced complaints from a delivery partner, their LTO or from someone within the community. Areas received support to address these issues in the form of help developing codes of conduct, mediation, or other additional rep support. However, some areas only recovered from a period of unrest or conflict after the source of the tension was gone. When this happened, partnerships had to adapt to the change that ensued, although the positive impact on the partnership was also noted.

Support from LTOs and workers

Lacking quality and consistent financial support

Some areas experienced either poor or inconsistent support from their LTO in relation to the management of their Big Local funding. As mentioned, NGTP areas were less likely to receive timely and appropriate financial support from their LTOs.[5] There were different reasons for this. For some it was a result of a poor relationship with the LTO (as discussed), but for others it was a consequence of inadequate LTO systems and processes. In other cases, turnover, or changes within the LTO or the LTO's general lack of capacity was the reason. Regardless of the cause, the level and quality of support received could make it hard for partnerships to properly understand, monitor and make decisions about their expenditure. It also become a source of conflict between the partnership and the LTO in some areas.

The right fit for Big Local?

It was not just the quality and consistency of the financial support offered by LTOs that could impact on an area's ability to deliver to plan, but whether the LTO they have is the right one. In a couple of areas, the LTOs were seen as inflexible or strict in their financial management style, which frustrated partnerships and what they felt they were able to do. LTOs perceived to be too cautious could also impact on the partnership's ability to make progress and take risks. LTOs that were not seen to be supportive of the Big Local ethos or the ability of residents to lead, were also seen as a barrier to progress.

No worker. No progress.

During periods where partnerships were without the support of a worker, they found it difficult to make progress. We know that workers help to get projects up and running, keep them on track, recruit volunteers and engage people in activities, but when these areas were without one, their activity and progress stalled. Poor quality work from an existing

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5 Area Assessment Tool 2018. Comparison of 29 NGTP areas and other Big Local areas.

worker was also felt to have a negative impact on progress, although this was not as common.

Changes disrupt and encourage progress

We know that a higher proportion of NGTP areas experienced a change in their rep, chair or LTO compared to other areas. All but one of the nine areas went through changes to LTOs, workers or chairs. Changes can disrupt partnerships and bring a feeling of instability, particularly when they are sudden or the result of conflict or complaint. In extreme instances, they can also halt delivery, as happened in one area. However, not all change is unwelcome or causes an area's activities to stall. It can also make a positive difference to the partnership.

The realities of delivery: changing plans, delays

For some areas, the time they thought they would need set up and deliver projects did not correspond to the time they needed in reality. As noted, a higher proportion of NGTP areas had plan timelines and budgets that were not realistic or clear. Areas involved in large, ambitious, or complex projects involving partners discovered that things also took longer than expected. Working with others caused delays to projects and areas found themselves working to another organisation's timeline.

Areas also changed what they want to do and the funding they want to access. These changes were for a variety of reasons. Some realised that what they had originally planned to do was no longer needed or was no longer possible. Others chose a different form of delivery.

Big Local partnership skills and capacity

In some areas, a lack of practical skills, knowledge, or experience in relation to managing projects, contracts and finances was highlighted as a barrier. Further, monitoring actions for multiple projects was also something that partnerships could find difficult.

As well as 'formal' skills and knowledge in relation to managing projects and contracts, some struggled to create healthy and functional partnership spaces that encouraged engagement and action. As mentioned, some experienced difficult relationships or conflict involving members, and reps introduced support around team working and developing codes of conduct to help partnerships to address these.

Engagement and capacity on partnerships

A lack of people and engagement on partnerships made it difficult to complete tasks and share responsibility for projects, making it harder for areas to deliver to plan. In some cases, issues with engagement and capacity were connected to the partnership's challenging relationships and conflict, but this was not always the case. In response to this, there was often a focus on recruiting more members to the partnership to help bolster numbers and their overall capacity to deliver.

Conclusion

Between 2016-18 the majority of Big Local areas deviated from their original planned expenditure in their plan. However, nine areas diverted from their original plan to a much greater extent than others, and there are number of themes that were common across these areas that can help to explain why this was the case.

Most of these areas had experienced challenging relationships, conflict or complaints that would have made it difficult for them to build the functional and healthy relationships that they needed to deliver their plan. These difficulties could also impact the partnership's motivation, energy, capacity, and ability to monitor their funded projects.

Some also received inconsistent or poor-quality support from their LTO in relation to financial management, making it harder for them to fund activities and monitor spend. In periods without support from a worker, the areas found that their progress slowed or stopped.

For a number of reasons, areas also changed what they wanted to deliver and how they wanted to deliver it. This impacted on how much funding they needed to access, as well as when they needed to access it.

Some also underestimated how long projects would take to set up and deliver. This was the case for 'smaller' projects but particularly the case for larger, more complex projects involving building, development, or multiple stakeholders.

Finally, it was felt that a lack of skills or capacity on partnerships made it harder for them to deliver to plan. Skills and experience in relation to project and contract management were highlighted specifically as an issue for some. Further, a lack of members and engagement from existing members made it difficult to complete actions and share responsibility for project tasks across the group.

Appendix: Methods

We identified the areas that were not spending to plan through 'proxy' indicators e.g., grant commitments, payments, refunds, and cancellations. These data covered both open and closed grants, and only included those that started between April 2016 and March 2018.

The four proxy indicators developed and used to identify NGTP areas were:

- Cases where a grant payment was delayed for longer than average within the time period. We selected cases which were delayed for longer than 4 months.

- Cases where there were two or more delayed payments for an area within the time period. Where there was a delay, the average number of delayed payments within an area was 1.33/1.43 (for closed/open grants respectively). We selected cases above the average.

- Cases of cancelled payments within the time period.

- Cases where areas repaid a higher-than-average proportion of their grant at the end of their grant period, again within the time period.

To isolate the areas that deviated from the norm, we focused on those that were *above average* in relation to: the length of time their grant payments were delayed for; the number of delayed grant payments they had; the number of times they cancelled a grant commitment; and where a higher and average proportion of plan funding was repaid at the end of the grant. Narrowing down the sample in this way gave us a total of 76 Big Local areas, which is just over half of all areas. To narrow down the sample of areas even further, we focused on areas within this group which met more than one of the four proxy indicators. This gave us a sample of 29 areas. To understand why these 29 areas did not spend according to their plan, they were first compared to all other 121 Big Local areas using the Area Assessment Tool[6]. Once we compared these 29 areas with all other areas, we narrowed down the sample again to nine areas that had met more than two of the four indicators. A deep-dive analysis was carried out on these nine areas looking at quarterly reports, plan reviews and assessments, and other internal documents.

6 Area Assessment Tool. November 2018

Local Trust is a place-based funder supporting communities to transform and improve their lives and the places where they live. We believe there is a need to put more power, resources, and decision-making into the hands of local communities, to enable them to transform and improve their lives and the places in which they live.

We do this by trusting local people. Our aims are to demonstrate the value of long term, unconditional, resident-led funding through our work supporting local communities make their areas better places to live, and to draw on the learning from our work to promote a wider transformation in the way policy makers, funders and others engage with communities and place

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