

LONDON COUNCILS

SERVICE TRANSFORMATION SAVINGS RESEARCH

Draft Report v2
SEPTEMBER 2020



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1. Executive summary

1.1. CONTEXT, AIMS AND APPROACH

London Councils and the Society of London Treasurers undertake a regular survey to look at the rolling four-year medium-term financial plans (MTFP) of the thirty-two local authorities across the capital. The most recent survey, conducted last year and updated in January, found that £1.9bn of savings are required over a four-year period across London and – for the fourth consecutive year – approximately half of the savings planned by London boroughs are earmarked as ‘service transformation’.

Given the well-documented failure of some major transformation programmes to deliver planned savings, this was identified as a potential risk. In consultation with London Councils, 31ten was commissioned to build on this process by carrying out an in-depth qualitative research programme with a group of four pilot councils. The focus was on:

- Identifying what boroughs mean by **service transformation and how they define it**
- Looking at drivers for **transformation, resourcing, and anticipated savings**
- Understanding the **challenges and risks** in delivering transformation-led savings programmes
- Gathering evidence of **successful service transformation and understanding the conditions that generate success**
- Identifying **common themes and approaches** and developing potential **opportunities for shared learning and collaboration**

There were four main elements to the approach:

1. Selecting and securing pilot councils

This was a decision factoring in the size of service transformation savings, transformation activity and maturity, the type of borough (to ensure a geographical and political spread), and willingness to engage.

2. Analysing data underpinning ‘service transformation’ savings

Analysis of future savings supporting each council's MTFP, focusing on the quantum of savings by service area and the types of projects making up the ‘service transformation’ saving total.

3. Structured interviews with key officers at pilot councils

A series of structured interviews with key officers involved in delivering service transformation – including chief executives, finance directors, HR/OD directors, strategy leads, service leads, and staff in central or corporate transformation teams.

4. Check and challenge of key themes

Summarising the findings and learning from each borough in a 'borough summary', which was then reviewed by each participating council and forms the basis of the themes that are reported in this document.

An executive summary of the main themes of the report can be found below.

1.2. TRANSFORMATION SAVINGS

The term 'service transformation saving' as used in the London Councils MTFP return was not commonly used across the pilot councils in a day-to-day operational sense. Instead, all the councils viewed transformation as something that should (and does) span across *all* the MTFP return categories, rather than its own separate, distinct activity. Nevertheless, service transformation savings consistently made up nearly 50% of the £1bn of known savings in London, ranging from 16% to 61% across the pilot councils. Reviewing the underpinning data highlighted two broad areas of activity with service transformation:

- **Transformation activity/savings** – these generally involve a redesign of how services are delivered to improve outcomes and achieve savings. There will usually be a dedicated project, team, or some dedicated investment to deliver the transformation.
- **Efficiency savings** – these are small changes to services or BAU to generate financial savings without changing outcomes; for example, small staff restructures, cost cutting, removing unfilled posts, capitalisation of costs etc. These changes are usually delivered within existing resources.

The majority of the value of savings (75%) fell into the former category, whilst the efficiency category tended to have more numerous but smaller value savings. For the pilot councils, five or six major transformation projects accounted for approximately 60-70% of the planned financial savings in the service transformation category, alongside a long list of smaller efficiency initiatives. The highest planned savings were consistently in Adult Social Care, Children's Social Care and Central/Corporate Services with these services comprising 66% of service transformation savings across the pilots.

There were two main drivers for transformation: to achieve savings and/or to improve service outcomes. These are not mutually exclusive and all four pilot councils sought to achieve both but the primary drivers were subtly different ranging from a need to move away from unsustainable salami-slicing to focussing on meeting customer expectations as the primary driver.

1.3. TRANSFORMATION JOURNEYS

Each pilot council spoke of the transformation journey that they have been and continue to be on. Across each of these journeys, there were some commonalities and consistent experiences, but each council's individual journey bore the unique hallmarks of their local context and circumstances.

All the councils highlighted the synergy between successful transformation and a strong, unifying cultural platform. The discussions shed light on how each council's journey was broadly non-linear and non-sequential, but involved a series of steps characterised by growth, change, development, raising awareness, increasing buy-in, building and embedding relationships, strengthening trust, learning tools and techniques, and ultimately evolving the cultural platform alongside the environment in which each council operates. Notable drivers and factors that marked the councils' transformation journeys involved the pursuit of and progress towards:

- A strong sense of collective responsibility to advance social justice and tackle inequalities
- A sense of local community within the organisation
- An emphasis on cross-council collaboration and collective learning
- A working culture blending pastoral care and staff wellbeing alongside high, stretching expectations
- A commitment to definitive action to increase workforce diversity and inclusivity.

1.4. SUCCESSFUL TRANSFORMATION

Based on the structured interviews with key personnel at the four pilot councils and the feedback and learning that they shared, four clear themes emerged with a series of specific lessons, messages, advice and good practice that contribute towards effective, successful and lasting transformational change:

Leadership: inclusive, stable, and visionary

- Stable leadership and clear accountability – both politically and at office level, with clear lines of accountability and succession planning to mitigate against personnel changes and provide a stable basis
- Absorbing personnel changes through a widely understood vision – a clear strategic narrative also acts as a bulwark against any changes in personnel
- Strong political relationships – across the spectrum from the cabinet through to backbenchers and the minority party
- Inclusive and broad leadership – leadership distributed and exhibited across all levels, from the executive through to project managers and service leads, and broad staff involvement in designing and delivering change.

Outcomes: shifting mindsets and reframing purpose

- Focusing on outcomes as a basis for change – to provide a simple, clear framework that is easy to understand and secure organisational buy-in

- Focusing on outcomes to catalyse new thinking – as an impetus to explore new ideas, fresh modes of thinking and untested approaches with the primary goal of improving outcomes and the associated effect of driving change
- Improving financial awareness more broadly – awareness of the financial challenge and context should be council-wide and not solely rest with finance teams
- An iterative approach to benefits realisation - an agile, iterative approach to transformation allows for a more reliable way of tracking and realising benefits and preventing major failures.

Approach: test and learn builds confidence

- Strong collaboration and addressing silos – developing a strong culture of collaborative, cross-council working helps to address silos that can impede successful transformation
- Adopting your own version of agility and flexibility – working in an agile and flexible way as defined within the parameters and context of your own council
- Adopting a range of approaches helps to iterate – a wide-ranging toolkit of approaches that can be called on depending upon the transformation project or initiative in question.

People: it's all about relationships

- Supporting transformation from the centre – though not a prerequisite and not common to all, those councils with corporate transformation, PMO or change teams stressed the importance of such functions working as enablers for cross-council, service-driven change
- Transformation is everybody's business – successful transformation is far more difficult without services being critically involved in design, delivery, and benefits tracking
- Using external support when it is needed – external support can provide benchmarking and experience of success elsewhere, as well as injecting pace and capacity when needed, but ownership should always remain council-led.

1.5. BENEFITS REALISATION

The importance of buy-in from services to savings targets and benefits realisation was highlighted, as ownership from the service required to deliver the benefit is critical. The need to have a sound evidence base for the quantification of benefits was also emphasised, and initiatives that could test approaches and therefore develop an evidence base were viewed as providing a more reliable foundation than those based on estimates or top-down targets.

Some interviewees stated that there have been occasions when their council had been overly optimistic regarding the timing of the delivery of savings, with the reasons being an underestimate of the amount of change required or unrealistic assumptions, leading to a longer timeframe for the realisation of benefits.

The importance of avoiding these pitfalls was highlighted and the role of finance to challenge was seen as crucial for this.

Interviewees identified the importance of clear accountability for delivery, a detailed plan with actions and owners to achieve the savings, and the right resources to deliver the transformation. An agile or iterative approach to delivery was signalled as an effective means to avoiding large-scale failures, though the difficulties in governing such projects through the conventional local authority governance process was remarked upon.

The realisation of FTE savings was singled out as a particularly challenging area, and feedback on success was that it requires a measured approach with finance and the service area working together and releasing the saving once it has been proven that roles can be deleted.

1.6. FORWARD LOOK

Each pilot council reported that they were on track to deliver their MTFP savings before the onset of the Covid-19 pandemic – those who had small budget deficits were confident of meeting those by the end of the financial year. Covid-19 and the lockdown that was subsequently implemented in late March has had a wide-ranging financial impact on the pilot councils – a drop in commercial income through fees and charges, some increases in social care spending, and delays to transformation savings as staff were diverted to other priorities.

There were also some positives reported around organisational impact – the pandemic has kickstarted cultural change by forcing greater agility, quicker decision making and flatter hierarchies, as well as sharpening the focus on staff wellbeing. The interaction between councils and communities (both residents and businesses) has also witnessed a digital acceleration, with some services advancing a blended, mixed offer covering both online and safe face-to-face interaction. The compact between councils, community volunteers and community spaces has undergone a redefinition, with stronger links and better use of spaces, whilst working from home in an effective, sustainable way with staff wellbeing at its core is also at the forefront of the councils' future agendas, alongside working through any ensuing impacts on physical spaces and places.

Despite the uncertainty and volatility of current situation, the pilot councils remained committed to the goals and outcomes of their existing transformation programmes over the short-term. They acknowledged that the context in which they deliver has changed significantly and that some specific areas – such as a focus on economic recovery – were going to become increasingly central to the future direction of local transformation over the medium and long-term. Alongside this, there was an



acceptance that the timescales for some transformation initiatives that were previously underway were likely to be impacted and delayed by up to a year.

2. Introduction

2.1. BACKGROUND

London Councils, in conjunction with the Society of London Treasurers (SLT), regularly undertakes a survey looking at London boroughs' rolling four-year medium-term financial plans (MTFPs) to get a better understanding of the financial resilience of London boroughs at a time of significant pressure for local government. The survey undertaken in 2019 (updated in January 2020) found that £1.9bn of savings are required over four years across London and that for the fourth year in a row, roughly half of planned savings are planned to come from 'service transformation'. With the failure of some big and high-profile transformation programmes to deliver promised savings being well-documented across the sector, this was identified as a potential risk.

In December 2019, the London Self Improvement Board agreed that London Councils should commission qualitative research into boroughs' planned transformation savings. 31ten was commissioned to undertake this research with a group of four pilot councils selected in consultation between London Councils and 31ten.

The objectives of this research project were:

- To identify and gather evidence of the type and nature of savings plans that boroughs are defining as service transformation
- To explore and gather evidence of boroughs' approaches to transformation: their 'drivers', resourcing (delivery by service managers/transformation teams/external consultants) and anticipated savings
- To understand the challenges and risks in delivering transformation-led savings programmes.
- To identify and gather evidence of successful service transformation activity and understand the conditions that generate success
- To identify common themes and approaches across authorities and potential opportunities for shared learning and collaboration

2.2. APPROACH

There were four key elements to our approach:

1. Select and secure pilot councils
2. Analysis of data underpinning 'service transformation' savings
3. Structured interviews with key officers at pilot councils
4. Check and challenge of key themes

We outline each of these below.

1. Pilot councils

The decision on which authorities to use was a subjective judgement based on the following factors:

Factor	Description	Source of assessment
Size of service transformation savings	We were seeking a range of sizes of transformation savings in terms of both absolute savings and when compared to the Net Budget Requirement of the council	Survey responses
Transformation activity and maturity	We were interested in authorities that were already some way into transformation projects to be able to gather the learning from their experiences. We were also interested in the types of service transformation projects undertaken and how the transformation is managed – we were keen to have a spread of those with a strategic approach versus those with a more devolved set of loosely related projects.	London Councils and 31ten combined knowledge of authorities
Type of borough	We involved a mix of boroughs covering inner and outer London, differing size and demographics, political control, and geographic spread.	Public data
Willingness to engage	We needed to ensure that the pilot councils were able to participate given other priorities (particularly the COVID-19 pandemic) and were genuinely willing to be open and honest in the process.	Engagement with Finance Directors of the potential pilot councils

Using these criteria, we identified a proposed shortlist of seven councils to approach and a backup longlist of a further five councils. We approached all shortlist councils and an additional one from the back up list, securing agreement to participate from four councils with a reasonable spread:

Council	Relative savings ¹ L/M/H	Relative savings ¹ %	Inner / Outer London	Political control	IMD deprivation (rank of avg.)
Camden	H	11%	Inner	Lab	132
Haringey	H	11%	Outer	Lab	37
Sutton	M	6%	Outer	Lib Dem	227
Westminster	M	5%	Inner	Cons	134

Cumulatively the transformation savings planned by these four councils totals £75m over the four-year period 2019/20 to 2022/23, equating to approximately 15% of the London total.

2. Data analysis

We sought limited data from pilot councils to enable us to understand better what has been included in ‘service transformation’ savings. All pilot councils provided a spreadsheet breakdown of future savings supporting their MTFP, categorised by savings type per the London Councils return, and some also provided RAG monitoring reports of programme progress. It should be noted that pilot councils generally provided their latest 3-year figures and we have used these in this report. These figures don’t reconcile exactly with the London Councils MTFP January 2020 return figures which were based on earlier estimates and provided a 4-year cumulative figure.

It proved not possible to get historic savings (actuals) compared against historic projections in aggregate. The interviews elicited some sense of quantum of savings for specific projects but the data we obtained enabled us to undertake analysis on:

- Quantum of savings by service area.
- Types of projects making up the ‘service transformation’ saving total.

3. Interviews

The core of this piece of work was undertaking structured interviews with key officers involved in delivering service transformation projects and savings. We undertook 27 face-to-face interviews (over Microsoft Teams) across the four pilot councils covering a range of roles and functions. The actual officers/roles that we interviewed varied at each council but included:

- Chief executives

¹ Relative savings were calculated as cumulative savings for 2019/20 to 2022/23 (as reported in January 2020) compared against Net Budget Requirement for 2020/21

- Directors of finance and other finance leads
- Service leads covering adults and children's social care, economic development, planning and development, customer services
- Human resources / organisational development directors
- Strategy leads
- Programme managers
- Central transformation teams or programme monitoring roles - for example, PMO or similar.

4. Check and challenge

Following our data analysis and interviews, we summarised what we heard and learnt from each borough in a 'borough summary'. They were reviewed by key contacts from each borough and form the basis of the themes that are reported in this document. All data and findings in this report have been anonymised.

Following finalisation of the report, 31ten alongside the pilot boroughs, will hold dissemination workshops where other boroughs will be invited to discuss the report through a video call format. This will be carried out to facilitate cross borough learning and collaboration.

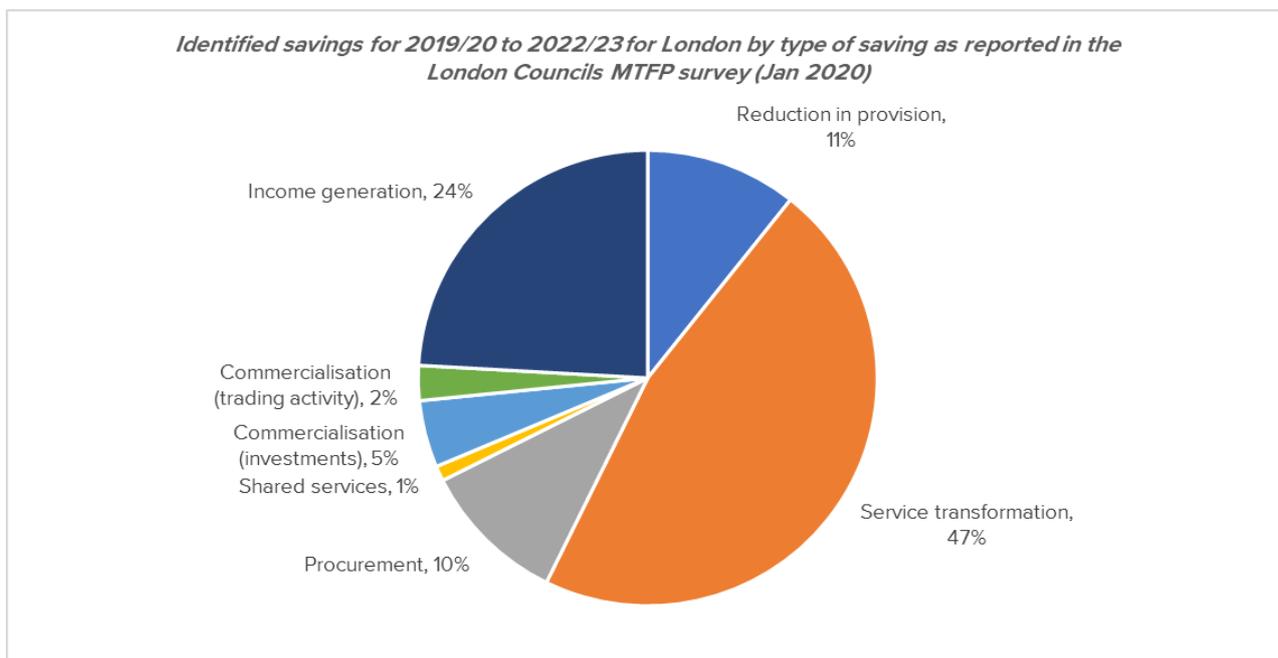
3. Transformation savings

This section sets out our findings on what the pilot councils have included in the service transformation savings category of their MTFP returns.

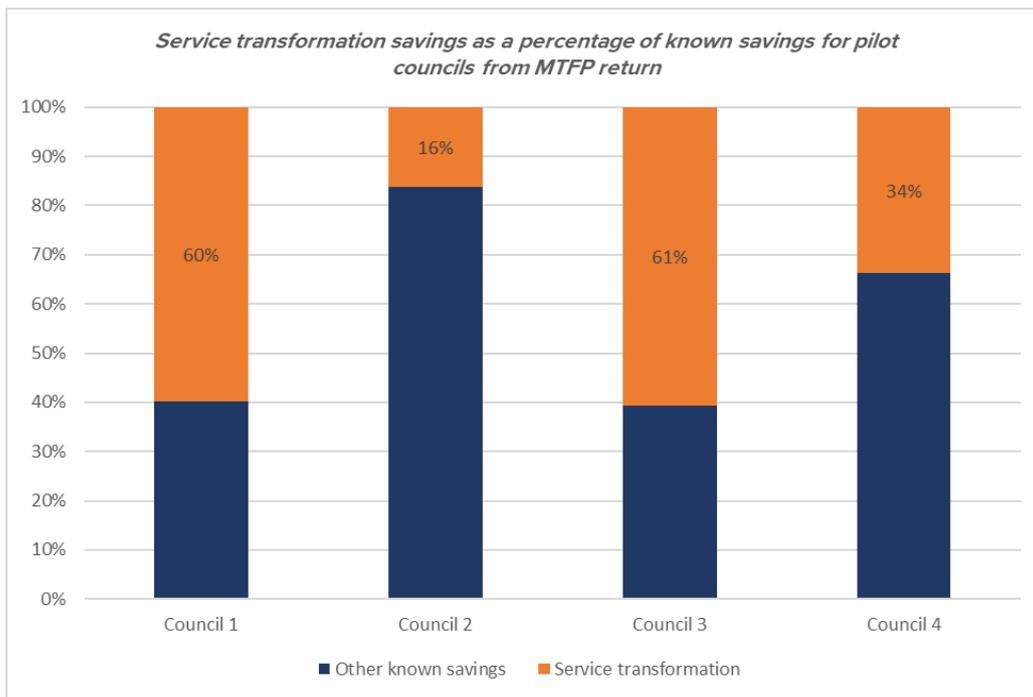
3.1. SERVICE TRANSFORMATION SAVINGS

The London Councils MTFP survey identified that £1.9bn of savings are required to be achieved over the period 2019/20 to 2022/23 in London. Of this, approximately £1bn has been reported by councils as having plans in place to deliver, with the balance representing savings that as yet are ‘unknown’ ie councils do not yet know how these savings will be delivered but they are required for a balanced budget.

Councils have allocated the planned, or known, savings across a series of categories specified in the return. Of these known savings nearly 50% (approximately £500m across London for the four-year period) were reported as ‘service transformation’ savings. The breakdown across the categories are shown below.



For the pilot councils over the same period, the relative size of service transformation savings varied from 16% to 61% of total known savings as shown below.



Cumulatively service transformation savings totalled £75m across the four pilot councils, equating to 15% of the total known savings for London. For the remainder of this report, we refer to 3-year cumulative savings figures as this is how the pilot councils provided their detailed analysis. The equivalent 3-year total is £55m of service transformation savings for the four pilot councils.

From the data underpinning the MTFP returns, it became clear that one council has completed their latest return on a different basis to the other three by reporting cumulative savings each year.² This means that the savings figures in the MTFP for that council are overstated when comparing like for like with other councils. We have therefore adjusted all savings reported from this council in this report to be consistent with the others, giving the 3-year service transformation savings total under examination for the pilot councils as £40m. It should be noted that this does not materially affect the relative size of the sample as the adjusted pilot councils service transformation savings still account for 14% of the adjusted London equivalent savings.

Without data from London boroughs outside of the four pilot councils, it is not possible to quantify the full extent of this issue in the MTFP reports. However, from a quick review of the whole dataset, it is possible that a further four other councils may have reported in the same way.³

² For example, if a project was planning to achieve a recurring £1m saving the expectation from London Councils was that this would be reported as £1m in the year it was identified and £0 in future years. One council reported this as £1m in the first year, £2m in year 2 and £3m in year 3.

³ We would expect the savings trend to go down the further away from the current year you get as councils plans are less robust in future years. Where the trend line goes up it would suggest that the council has reported on a cumulative savings basis. We have not explored this further, but an upwards trend was seen in returns from 4 other councils which may indicate an inconsistent reporting basis.

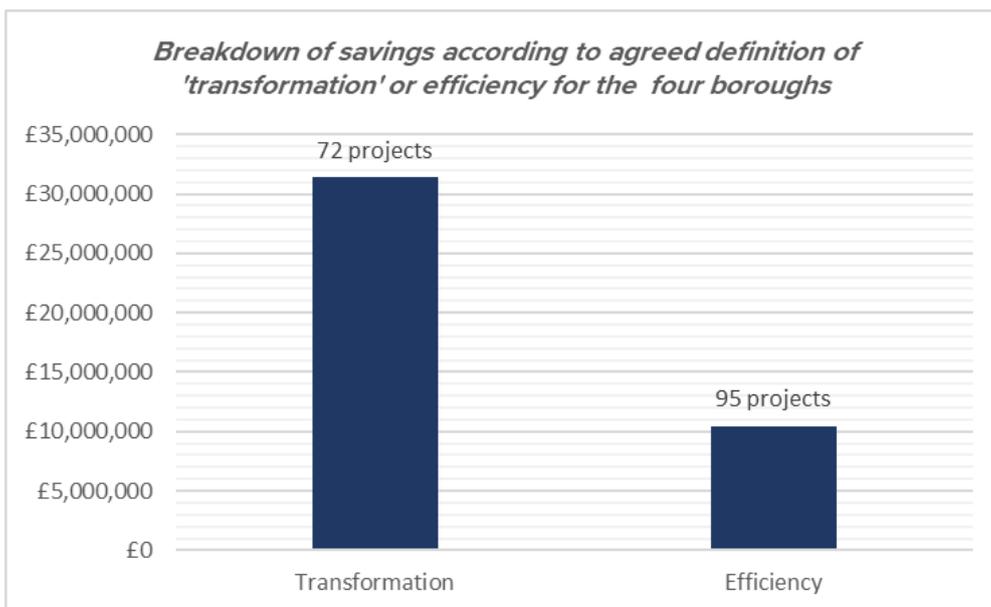
3.2. WHAT MAKES UP 'SERVICE TRANSFORMATION' SAVINGS?

It was clear from our discussion with pilot councils that 'service transformation saving' was not a phrase that most officers were familiar with. All four councils felt there is activity they would consider to be 'transformation' across almost all the MTFP categories (reduction in provision, service transformation, procurement, shared services, commercialisation (investments), commercialisation (trading activity), and income generation). Our interviewees delivered (or are delivering) projects that plan savings in a number of these other categories and we have included the learning from these in this report as there is no distinction or separation in how they are or were delivered. As a result, the category tends to contain projects that don't easily fit into the other MTFP survey headings.

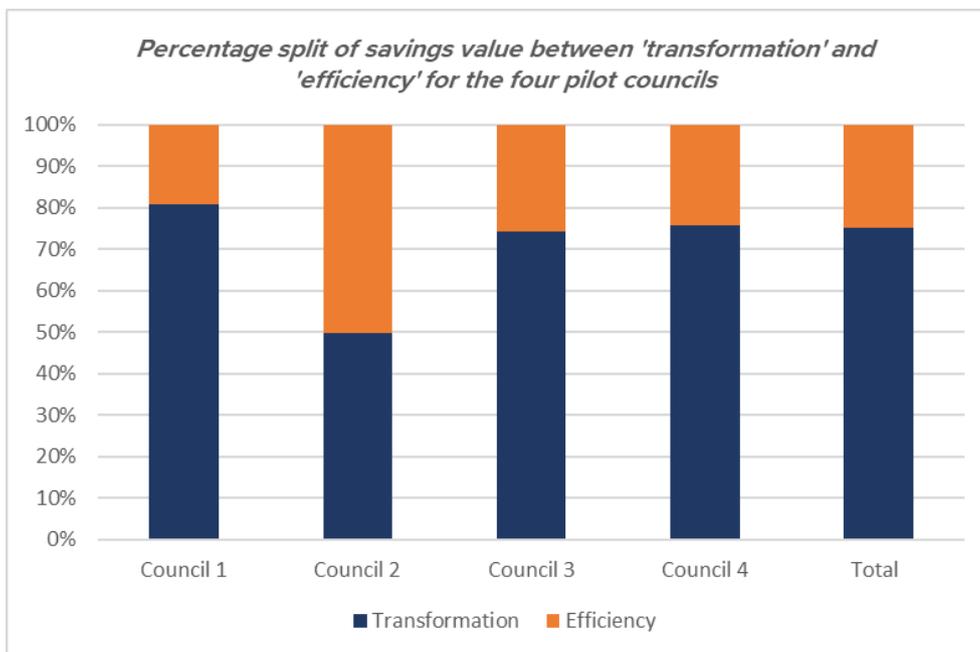
That said, on investigation of what pilot councils did report as 'service transformation' savings there appeared to be 2 main types of activity:

1. **Transformation activity/savings** – these generally involve a redesign of how services are delivered to improve outcomes and achieve savings. There will usually be a dedicated project, team, or some dedicated investment to deliver the transformation.
2. **Efficiency savings** – these are small changes to services or BAU to generate financial savings without changing outcomes; for example, small staff restructures, cost cutting, removing unfilled posts, capitalisation of costs etc. These changes are usually delivered within existing resources.

These definitions were discussed and agreed with boroughs and we have re-classified the 'service transformation' initiatives of the pilot councils into these two categories (and validated these with pilot councils) as shown in the chart below.



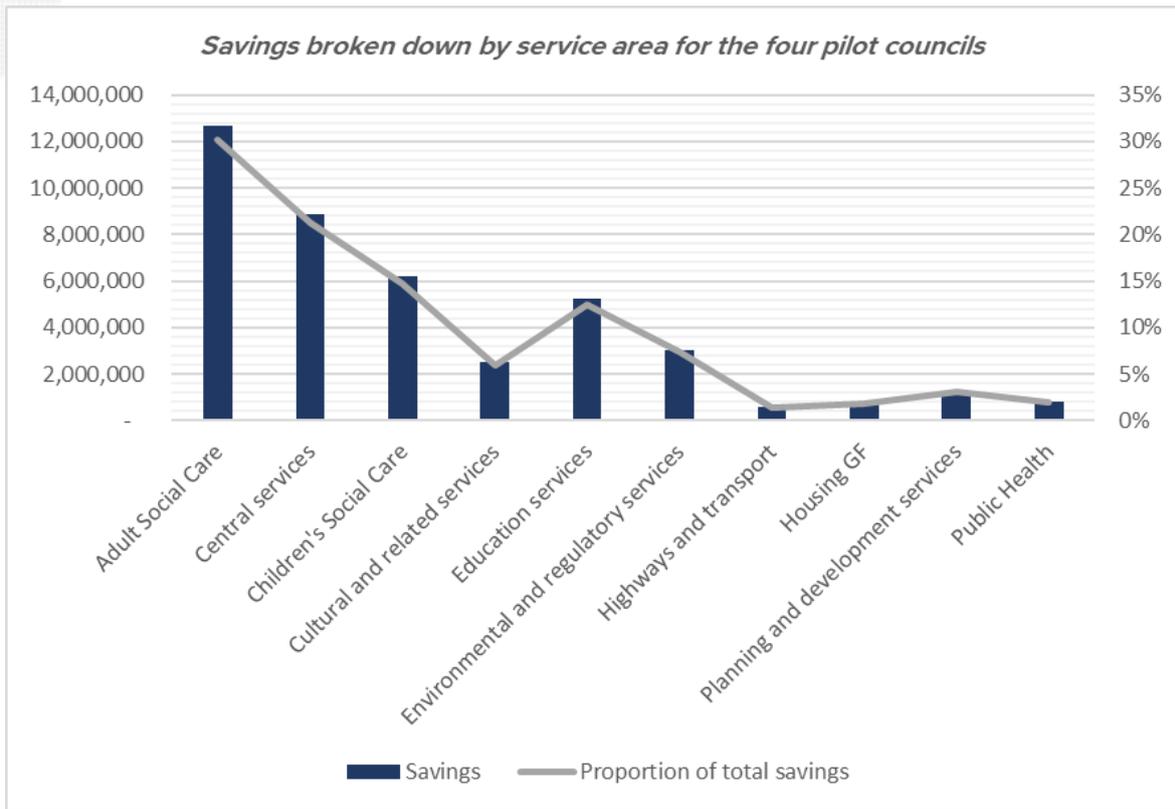
The majority of the value of savings (approximately £31m or 75%) related to transformation, but there was also a large number of smaller efficiency savings totalling almost £10m. These numbers only relate to the sample of pilot councils and whilst it is not possible to extrapolate these findings to the total service transformation savings for London (approximately £500m), it is relevant to note that there was a degree of consistency across 3 of the pilot councils with the value of transformation savings equating to between 70-80% of the value of savings as shown in the chart below.



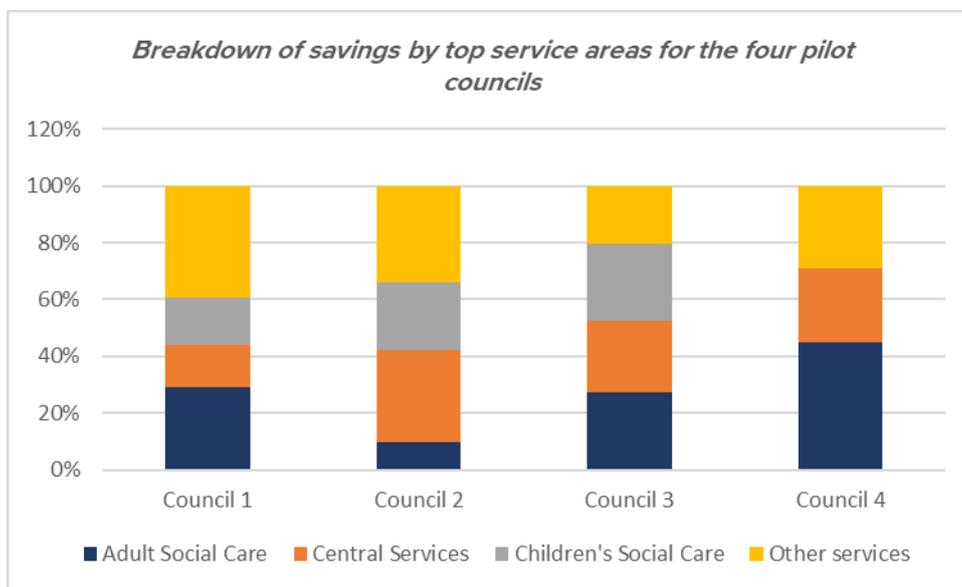
In general, for the pilot councils there were 5-6 transformation projects that account for approximately 60-70% of the planned financial savings in the 'service transformation' category with a long list of smaller initiatives.

Across pilot councils, there was reasonable consistency that the service areas with the highest planned savings are Adults Social Care, Central Service and Children's Social Care with savings across these accounting for 66% of all service transformation savings in the pilots. Central Services comprised predominantly customer transformation/digital projects as the largest single item in this category. There was also a noticeable value of libraries and neighbourhood savings across pilot councils⁴.

⁴ Note £4.3m of the Education services total relates to one council's programme for their Learning Disability Partnership to be delivered in partnership with Children's Services.



Whilst the actual split between these top service areas varied across the pilot councils, it is noticeable that these 3 services comprise between 60-80% of total savings for all four pilot councils.



3.3. DRIVERS FOR TRANSFORMATION

From discussion with the pilot councils there were two main drivers for transformation: to achieve savings and/or to improve service outcomes. These are not mutually exclusive and all four pilot councils sought to achieve both but the primary drivers were subtly different.

Two councils described a history of reducing costs and making efficiencies to meet shrinking resources, resulting in a smaller staff base delivering the same services. This salami-slicing approach was not considered sustainable and they both described a need to transform the way services were delivered in order to continue to balance budgets.

One council described the early days of austerity as planting the seeds for the organisation to think about where it should prioritise investment. But it took a few years for this to evolve into a dialogue about how to deliver the council's desired outcomes within the available resources.

For the other council, the driver for transformation was less about making financial savings and more about improving the quality of outcomes and meeting customer expectations. That said the council has not been immune to austerity and officers described salami-slicing cuts that became unsustainable for some services and for others the transformation and innovation required to improve the service has also delivered significant savings (or increased income).

4. Transformation journeys

4.1. TRANSFORMATION JOURNEYS OF THE PILOT COUNCILS

Our discussions with pilot councils found that the transformation journey each of them had been on – previous efforts and initiatives to transform services and find efficiencies, and where each council found themselves now – was simultaneously unique (insofar as some of those past experiences were specifically shaped, informed and cultivated by each local context) whilst, at the same time, bearing a number of commonalities (the value placed on strong, clear leadership and the benefits of an agile, open approach).

The importance of organisational culture in successful transformation

All four pilot councils we spoke to drew on the synergy between successful transformation and a strong, unifying cultural platform. The composition of this cultural basis differed from one council to the next:

- One council spoke of its strong cultural sense of collective responsibility to advance social justice and tackle inequalities, which served as a binding mechanism to bring together the organisation's people and its priorities
- Another referenced the sense of local community within the organisation, with a significant proportion of staff living either in the borough or neighbouring boroughs
- We heard about the key role that cross-council collaboration and collective learning can play in forging a new direction with regards to transformation
- Working culture was also highlighted as a fundamental basis upon which to propel transformation and change, with a culture that blends pastoral care and staff wellbeing alongside high, stretching expectations, as well as taking definitive action to increase workforce diversity and using this to drive and improve performance

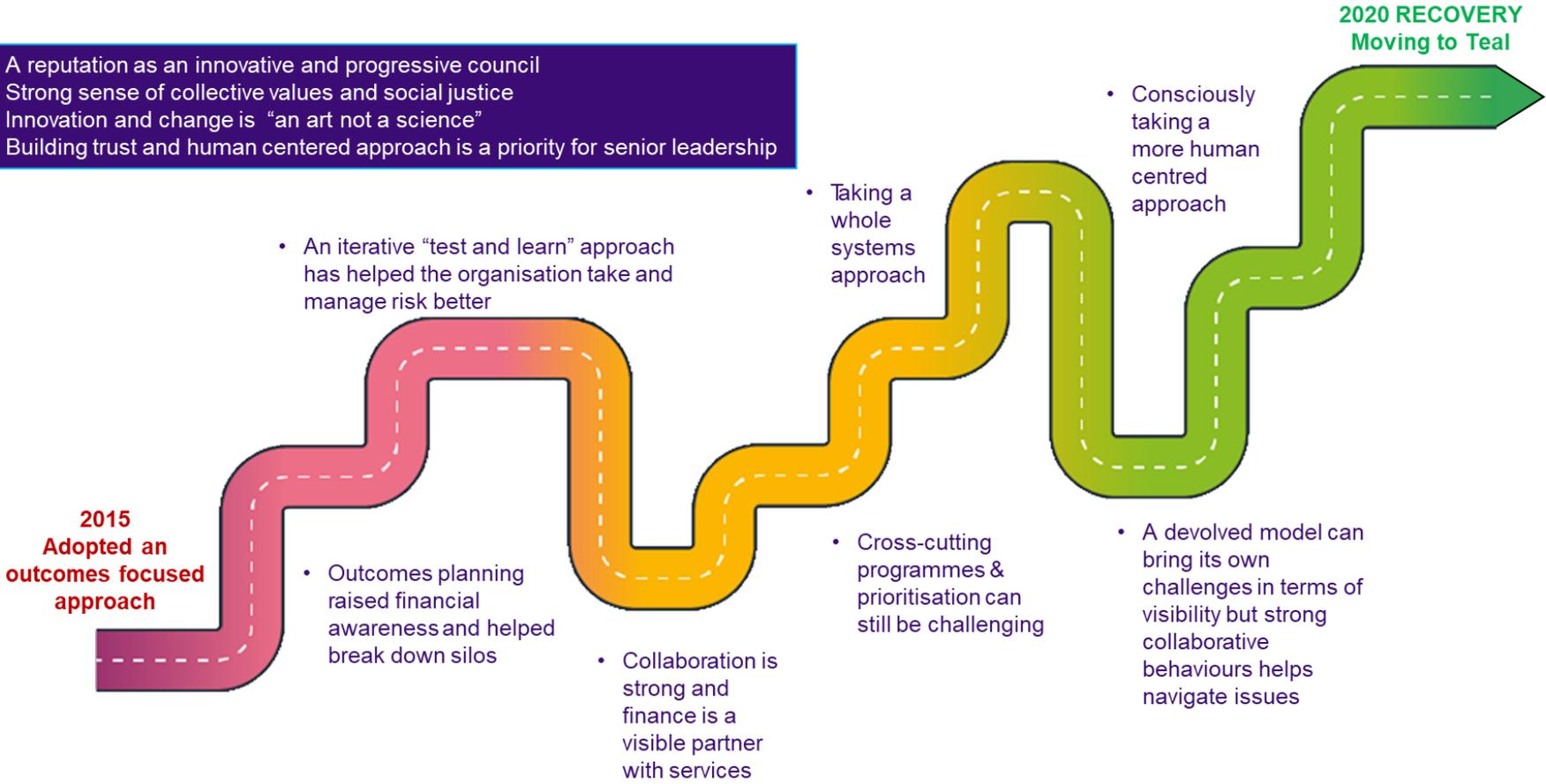
Though the feedback covered a wide range of focal points, some clear themes on the link between culture and transformation emerged – the importance of a common sense of purpose, a kinship to both the council and to the place, a truly collaborative culture that spans across the organisation, and championing workforce diversity as a means to improve and transform performance.

Each journey is unique – finding the approaches that work for your organisation is key

The diagrams below are intended to give a sense of some of the key learning characteristics and approaches that have been tried, adapted, and evolved as the organisation learns and grows. These images are not intended to be exhaustive or in a strict chronological sequence but instead give an overall sense of the developmental journey of each of the pilot boroughs:

Council A – Outcomes focus to ‘Teal’ organisation⁵

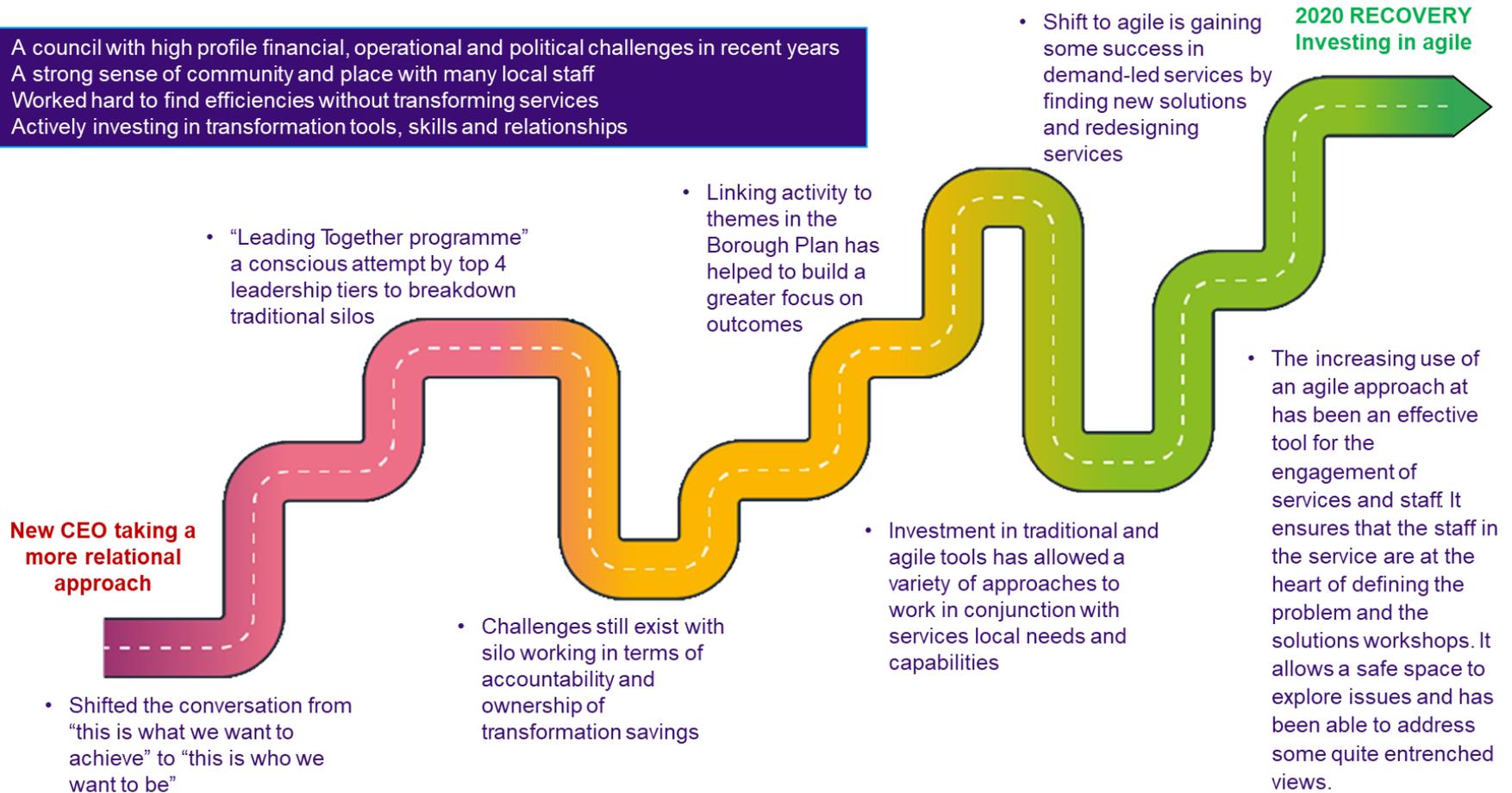
- A reputation as an innovative and progressive council
- Strong sense of collective values and social justice
- Innovation and change is “an art not a science”
- Building trust and human centered approach is a priority for senior leadership



⁵ A ‘teal’ organisation is as defined by Frederick Laloux in ‘Reinventing organisations’ in 2014 in which he described organisations that operate largely without traditional hierarchies or management strategies. They are characterised by features like self-managed teams, intuitive reasoning and decentralised decision making. Employees are enabled to bring their full persona to work not just the professional persona and the organisation is considered to have its own evolutionary purpose which guides decision and actions rather than trying to predict or control the direction of the organisation.

Council B – Taking a relational approach⁶ to investing in Agile

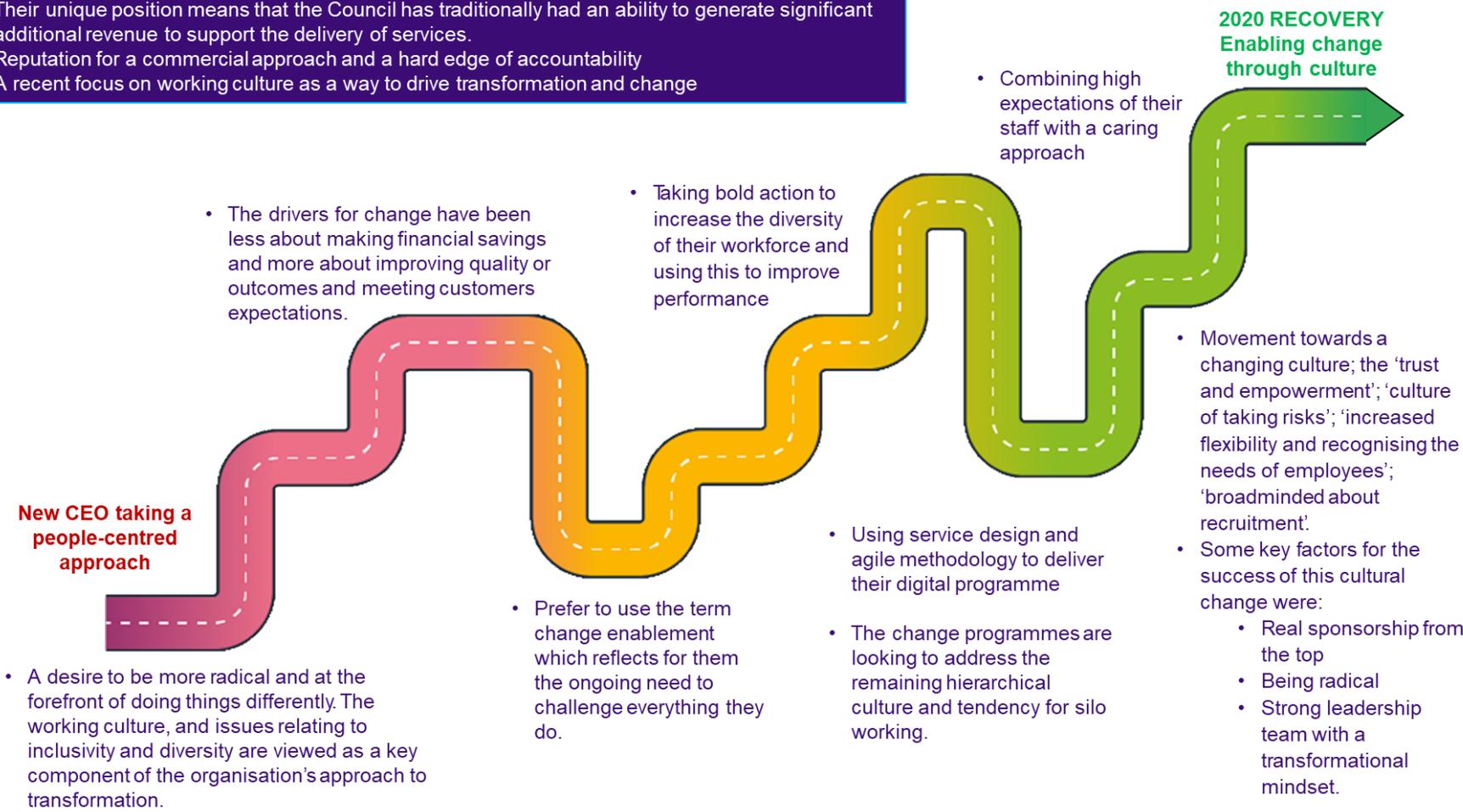
- A council with high profile financial, operational and political challenges in recent years
- A strong sense of community and place with many local staff
- Worked hard to find efficiencies without transforming services
- Actively investing in transformation tools, skills and relationships



⁶ Relational leadership involved being attuned to, and in touch with, the intricate web of relationships that influence an organisation. Irrespective of tasks, strategic plans, contracts etc relationship leadership is about people and their perceptions of how they are treated.

Council C – A people-based approach to enabling change through culture

- They have a strong track record of delivering balanced budgets
- Their unique position means that the Council has traditionally had an ability to generate significant additional revenue to support the delivery of services.
- Reputation for a commercial approach and a hard edge of accountability
- A recent focus on working culture as a way to drive transformation and change



Council D – Outcomes based commissioning approach to partnership and placed based focus

- A history of redesigning how services are delivered and have experimented with many different approaches over the years
- A variety of new delivery models, including wholly owned companies
- Local partnerships with the voluntary sector and other local public bodies
- A political landscape that emphasises bi-partisanship or cross party working.
- Well established shared local and regional services

2018 embarked on an Outcomes based commissioning approach

- The move to outcomes based commissioning (OBC) had mixed results: losing momentum and becoming too theoretical, but significant impact on the Council's direction for transformation.

A strong sense of organisational learning from progressing a variety of initiatives even if some of them did not always deliver the level of benefits initially planned

A patchwork of delivery mechanisms and partnerships have given them a range of different levers to pull in relation to the current financial challenges, a 'tool box' of options to deploy depending on the outcome they are intending to achieve.

- OBC approach opened up new ways of thinking which had borne fruit from both a cross-Council collaborative working perspective as well as taken the Council in a new direction with regard to transformation and savings work.

- Strong collaborative senior leadership relationships consciously seek to manage the silo delivery

- Strong culture of accountability and delivery but with a tendency towards silos. This can affect the delivery of some cross-cutting programmes where accountabilities are blurred and creativity to address cross-cutting themes is hindered.

2020 RECOVERY Partnerships & place based focus

- The council talks more about 'change' than transformation with the culture very much one of ownership and accountability around the delivery of savings.
- There is no standard approach to transformation. But they have a history of successful implementation most recently in Adult Social Care.

5. Lessons learned from successful transformation

Over the course of discussions with key personnel at the pilot councils on the topic of what lessons could be learned from successful (and indeed less successful) transformation initiatives, four clear themes emerged:



<p>Leadership</p> <ul style="list-style-type: none">• Clear strategic vision with savings aligned• Visionary chief and engaged leaders• Sound governance and decision making• Organisationally self-aware – understanding what works locally	<p>Approach</p> <ul style="list-style-type: none">• Alignment of projects to vision• Structure for delivery aligned to culture• Able to incorporate latest technology and innovation as it develops• Test and scale approach• Appropriate gateways for financial approval
<p>Outcomes</p> <ul style="list-style-type: none">• Alignment of resources to outcomes for residents• Owned benefits but collective responsibility• Robust systems and processes for monitoring• Reflection and recognition of progress	<p>People</p> <ul style="list-style-type: none">• Dedicated and empowered programme resource• Appropriate and sufficient skills (inhouse or bought in)• Ability and permission to flex approach as needed• Open culture where constructive challenge is welcomed

This section sets out more detail about the practical lessons and feedback that the pilot councils shared in relation to each of these themes.

5.1. LEADERSHIP – INCLUSIVE, STABLE AND VISIONARY

Stable leadership and clear accountability

A clear theme of the discussions with the pilot councils was around the stability of leadership, both in the political and officer realm. This does not necessarily translate to the same personnel over long periods of time; indeed, all four pilot councils have had new Chief Executives in recent years. Rather, the stability required was a consistent strategic narrative, a unifying vision, and strong succession planning that creates an environment in which a change in leadership results in an evolution of the existing organisational direction.

All four pilot councils highlighted the importance of strong accountability in delivering transformation and any associated savings – particularly if there is a tension between central or corporate functions and services. There was no consensus or particular preference for where accountability should sit, provided that there is clarity with a clear steer that accountability for delivery of savings should align with budget responsibility. The most common factor in projects failing to deliver savings was where accountabilities were blurred and savings duplicated; most frequently in cross-cutting programmes.

Examples

One council noted a digital programme that invested centrally to deliver a recurring saving through channel shift savings. The savings were achieved in the services and contributed to those services delivering on budget, leaving the savings recorded against the central project as ‘undelivered’.

All four pilot councils found cross-cutting projects difficult to deliver because of the blurred accountabilities. Strategies that were perceived to have been more successful included:

- Using multi-disciplinary teams
- Being explicit about where delivery and benefits realisation responsibilities sit; one Directorate may be responsible for delivering a project, but another will achieve the savings
- A culture of collaboration was highlighted as the key to being able to resolve these difficulties
- A people-centred approach, with issues relating to inclusivity and diversity as a key component of the approach to transformation
- Making sure responsibility for leadership is widely dispersed across the top team.

Absorbing personnel changes through a widely understood vision

Conversely, the disruption that frequent changes in leadership, whether political or executive, can cause was flagged as a source of frustration. Once again, the key theme that emerged here to withstand these

sorts of changes was the importance of developing and cultivating a consistent and widely understood organisational vision and culture.

Example

For one pilot council the clear sense of collective values coupled with a vision that underpins all the work of the Council has enabled the relatively new Chief Executive to evolve the approach to transformation from one of looking at the root cause of problems to a more human-centred approach focussing on networks and the power of relationships. But the direction of the council and the relationship between the council and its citizens remains consistent.

Strong political relationships

The importance of strong political leadership and strong relationships with elected members was also highlighted. Two councils spoke of the care taken to nurture good relations with the minority party, meaning that more radical transformational changes could be implemented whilst retaining broad cross-party support if these initiatives proved to be less successful than hoped – this allowed the space and backing for a more experimental approach and, most critically, learning from all initiatives.

Example

One pilot council spoke of the care taken to nurture good relationships with the minority political group, which meant that the council could make radical changes to services but also retained some degree of support if initiatives were to be unsuccessful. Officers described how this political ‘space’ afforded experimentation and critical learning on the back of certain less successful initiatives.

Inclusive and broad leadership

Another consistent theme was the crucial importance of inclusive, strong, and purposeful leadership across all levels of the organisation – the executive level through to service project level and beyond. For transformation to be successful, leadership must emanate from across these levels and it must endeavour to bring staff along on the journey. This can be achieved through involving staff from the outset (in identifying problems and issues) through to the design (developing and working up proposals and solutions) and implementation phases (acknowledging the professional motivation of staff to serve their communities). Coupled with this was feedback on the importance of clear, understandable messaging delivered in an open and collegiate way, allied to a consistent narrative over time and widespread communication of successes and achievements.

Example

One of the pilot councils highlighted the centrality of diversity and inclusivity to the organisation's approach to transformation. The council's approach to cultural change pays particular attention to improving diversity in relation to gender and BAME staff, and concrete steps have been taken to address this - pay gaps in both these areas have been published and initiatives targeted at recruitment have been launched. Senior officers highlighted the impact that more diverse candidates had had on their services, with multiple examples given where different perspectives had led to significant improvements in performance or new ways of doing things.

5.2. OUTCOMES – SHIFTING MINDSETS AND REFRAMING PURPOSE

Focusing on outcomes as a basis for change...

One clear message from the two councils that used outcomes-based approaches to budgeting was the importance of this as a mechanism for change. An advantage of this was that change predicated on clearly understood goals and outcomes, such as those in council plans or strategies, was based upon a simple unifying vision, which provided unity of purpose and a foundation upon which to secure buy-in across the organisation.

...and to catalyse new thinking

Another advantage of outcomes-based approaches, especially where these had not been widely used before, was the fresh thinking and opportunity to do things differently. One senior officer at a pilot council remarked that the precision was less important than the process, and that the process could take many forms (outcomes-based reviews, external resource providing new challenges and perspectives) provided it changed mindsets and ways of thinking .

Examples

For one council the root and branch approach taken as part of the outcomes-based review, coupled with strong service leadership, enabled the council for remove ~20% of the cost base from Children's Services over 6 years.

Another council secured funding for a prototype project in an agile way. £50k was allocated to a pilot to have conversations with the public about how the council could meet their needs, with data on the impact on outcomes recorded for people participating in the pilot. The data recorded at this stage gave the council greater confidence to fund the next stage until after 12 months; indeed, there was

such a credible case for change that it was able to roll out the programme across the borough. This project is now informing the approach to the wider customer function.

Improving financial awareness more broadly

Successful transformation was much more likely where financial awareness was at a high level across the organisation. It was also put forward that efforts to increase and develop this awareness should be council-wide and not solely rest on teams in finance and this was improved.

Example

For one pilot council the implementation of outcomes-based budgeting took a number of years. The first year focussed on policy: what makes the difference to outcomes? This exercise was not Directorate-based, and each outcome had a lead Director with responsibility to ‘canvass’ the organisation for ideas to deliver the outcome. It was only in the second year that the Council could address what it cost to deliver these outcomes and therefore where savings could be made savings.

Whilst the process didn’t initially generate the level of savings required this didn’t undermine the widely held view that it had lead the organisation to think collectively about its purpose and what it provides but also raised financial awareness across the organisation such that achieving a balanced budget became an organisation endeavour rather than a purely finance one.

An iterative approach to benefits realisation

The pilot councils all spoke about the importance, and often difficult nature, of effective benefits tracking and realisation. There was no one way of achieving this – some tracked benefits centrally, others put responsibility onto service areas – but it was roundly viewed as a critical piece. Feedback from one council which has adopted an agile, iterative approach to transformation was that this allowed for a more reliable way of tracking and realising benefits, not least through minimising the prevalence of failed initiatives through the principle of “testing, scaling, or stopping”.

Examples

One pilot council felt that a more iterative approach to projects – testing, scaling, or stopping - means that big failures don’t materialise because they are stopped or adjusted before this can happen. This was described as ‘not nailing our colours to the mast so that means we can take more risks’. Another

council stated that the more agile approach to projects has made benefits realisation more reliable because:

- As part of the process, projects establish a clear baseline against which to monitor and sufficient detail to know how they will be delivered
- The approach secures collective ownership of the saving
- For one specific project, savings were released in a measured way whereby regular benefits realisation sessions were held with a formal sign-off process to confirm that the change was embedded and working well
- The test and scale approach enables savings to be written off at an early stage if it becomes clear that the approach is not working, which requires strong tracking analytics.

5.3. APPROACH – TEST AND LEARN BUILDS CONFIDENCE

Strong collaboration and addressing silos

All four pilot councils recognised the tendency towards silo working; a common problem across local government that can be reinforced by a culture of strong accountability. Addressing these through collaboration – which can often build up organically within organisations – was highlighted as a key driver of successful transformation. Alongside the earlier point on clear accountability, the importance of collaboration was pinpointed as a facilitative mechanism to achieving cross-cutting, council-wide transformation and in generating consensus and buy-in.

Examples

Pilot councils have sought to address silo working by:

- Using the longstanding relationships across directorates to foster greater collective ownership around a simple narrative, vision or set of priorities
- Investing in the top team with leadership development programmes to improve collaborative working and to develop a culture of trust, openness and honesty
- Restructuring to break down particularly negative silos
- Creating a culture of innovation that encourages cross-working teams
- Creating opportunities for staff to learn about people in other areas of the council
- Using an outcomes-based approach to budget setting and allocating senior leadership responsibility for outcomes; thereby encouraging work across traditional directorate silos.

Adopting your own version of agility and flexibility

The pilot councils all had subtly different interpretations of an agile approach – this is common, as different organisations adopt approaches in their own ways to fit their own circumstances – but what came through consistently was a focus on agility (moving at pace, scaling and sizing up), flexibility (testing and trialling, learning from failures) and creating an environment in which staff feel empowered to take measured risks without fear of reprisal. Feedback was that – though by no means a panacea – this sort of approach can be effective in generating buy-in and reducing and overcoming barriers to transformative change, and there was a view that some of the changed ways of working enforced by the Covid-19 pandemic are likely to become permanent features

Examples

Some of the ways in which the pilot councils have embraced agility and flexibility include:

- Relaxation of governance processes in favour of a greater emphasis on flexibility, risk management and collaboration
- A holistic approach to transformation that looks at the whole system, including partners, to explore what they need to do and focuses on a more agile and iterative approach
- The increasing use of an agile approach serving as an effective tool for the engagement of services and staff, by ensuring that staff in the service are at the heart of defining the problem and the solutions
- The use of more informal programme board meetings using ‘huddles’ of the relevant people around a wall mounted road map focussing on blockages and challenges
- The pandemic providing a cultural ‘boost’ to more agile working, faster decision making, streamlined processes, removing a layer of hierarchy, and a greater focus on staff wellbeing.

Adopting a range of approaches helps to iterate

However, the councils were all experienced enough to state that one method or approach alone is never sufficient – instead, a toolkit of approaches is required depending on the project, initiative, services involved or other key transformational factors. Flexibility in adopting, testing, and trialling new technologies or other innovations was also flagged as an important factor in remaining prepared and agile. Sufficient breadth within the toolkit of approaches allows councils to successfully iterate the ways in which they can transform delivery and achieve savings in different contextual circumstances.

Examples

Each pilot council fed back on this point:

- One council stated that there is no standard approach to transformation or change; some projects run along traditional project management lines and others in a more agile way depending on the nature of the change
- One echoed this, saying that their approach to transformation is deliberately undefined; again, some projects are delivered using a more traditional project management and others using agile principles
- Another council uses a business case approach to justify investments in savings approaches with an emphasis on a reliable evidence base; that said, they are increasingly seeking to make this a fairly light-touch process if officers believe it is the right thing to do
- The fourth council also has no standard approach to transformation, but cited a successful programme in Adult Social Care that was driven by strong, clear leadership, good engagement, good relationships, member commitment, and clear accountability alongside a plan for achieving savings

5.4. PEOPLE – IT'S ALL ABOUT RELATIONSHIPS

Supporting transformation from the centre...

Some of the councils had a centralised team where others devolved more responsibility to services.

Where central teams did exist, they tended to operate:

- As a PMO function
- In a transformation delivery role for projects/programmes
- In a transformation support role (governance, resources, training, HR etc)
- To provide strategy, policy, and insights – undertaking analysis, intellectual thinking, support with report writing

There was a view that this sort of wraparound support for transformation activity can be instrumental in improving the success of transformation, by providing much-needed resource to cajole, maintain momentum and drive change alongside services. However, even those councils with centralised teams acknowledged that services play a fundamental and crucial role in successful transformation. As a result, a decision to set up a central function should never be viewed as a panacea or shortcut to successful transformation, but rather as an enabler for growing and developing effective cross-council transformative change.

Examples

The approaches to central support varied across the pilot councils with no one solution being considered better:

- One council has a central Strategy & Change team with a lead for each Executive Director and responsibility for strategy, policy and insights and a corporate PMO (within Finance) with programme oversight. Delivery responsibility sits within the Services
- One council has a central PMO function with responsibility for oversight, challenge, and reporting but transformation is very much Directorate-led with project managers from within the Service
- One council has a centralised change team that performs a PMO role, transformation support (help with governance, resources, training) and delivery role for some projects. The team provides 'wrap-around' support that has been seen as instrumental in improving the success of transformation. Like the other pilot councils, responsibility and accountability for delivery sits with the Services
- One council has no central transformation or change resource; Services are responsible for delivering their own programme, some with their own change teams, and this is perceived to have been working well. More recently this council established a Corporate PMO to provide a monitoring and assurance role and a remit for delivering one of the council's strategies.

...but transformation is everybody's business

The relationship between services and the centre – whether a specific centralised team or, in a wider sense, the executive (including finance) – was unanimously viewed as critical. Developing productive and collaborative relationships was key – one example was to have specific elements of a central team dedicated to specific service areas (akin to a business partnering model), thereby giving those staff the chance to develop detailed knowledge of that area and provide stability to grow better relationships. Indeed, in some cases, there have been transfers and secondments of staff from services into central teams (and vice versa). Another council echoed this, citing strong relationships with services to the extent of services funding discrete posts within the central team.

One council felt it was important that project management was embedded within teams, to ensure that the transformation was properly owned by the service. Another echoed this with a strong view that not only did projects require service-led ownership, but that the benefits realisation process could also be strengthened by being conducted with support and involvement at a service level rather than solely through finance.

Another council, with no central transformation resource, said that services are given direct responsibility for leading transformation. Some have set up their own change teams and it was noted by one service that this investment gives them the time to approach transformation in a measured way rather than making rash decisions that can have unintended consequences.

Example

One council launched a cross-cutting customer service and digital programme and invested a lot of time getting buy-in from services. It is using a service user design approach using agile principles. It uses multi-disciplinary teams, but services lead the project for their area. Savings are based on evidence and are aligned to where the budget sits; this means that the project does not recognise the back office savings associated with the project, though still facilitates the delivery of these through a service design team.

...and it should be supported by an investment in staff

Three of the four councils emphasised the importance of underpinning transformation with investment in their staff including development programmes, flexible working (prior to COVID-19), defined professional working practices, cultural change, a tangible focus on diversity and inclusion, investing in pay. This was seen as critical to the transformation of the organisation as well as services and two of the councils had comprehensive OD programmes running alongside their savings programme.

But at a project level, the need to engage staff in the transformation was highlighted by all four pilot councils.

Example project: Highways

In one council, the Highways service undertook a root and branch workflow analysis of the function. This was used to engage staff in the process of problem identification and service re-design. But alongside this, the service made an investment in the remaining staff with a Development Programme including 360 reviews, coaching and nominations for the Emerging Leaders and Developing Leaders Programmes.

The key factors for success were identified as:

- Keeping the staff engaged: taking them on a journey; and committing to their development
- Using innovation to enthuse staff with drive and energy
- Building a team to support delivery
- Creating a culture of permission; 'it's ok to try things - they may not work and that's ok'.

As a result of the programme, the service was able to reduce staff headcount by 15%, removing £750k from a £6m cost base.

Using external support when it is needed

The majority of the councils we spoke to had used external resources to support transformation activity at some stage, whether as supplementary resource or, in some instances, to bridge a resourcing gap. Another advantage of tapping into external expertise was the provision of evidence of benchmarking or experience of what works elsewhere. One comment was around the use of consultants to support projects in the early stages of project formation, where additional capacity can provide an injection of pace as well as effective challenge and clarity on direction and a fresh perspective to develop solutions to problems. Another key point was around ensuring external resources are deployed in the right way to avoid a feeling of change being 'done' to the organisation rather than being owned and driven from within.

Examples

- One council uses third parties to support their programmes but there was a sense that they need to be used in the right way to avoid a feeling of change being done to the organisation rather than being owned
- One council has used consultants to support projects, particularly in the early stages of project formation, with the view that consultants can bring additional capacity as well as effective challenge and clarity on direction
- One council uses external resources where it is needed, particularly to give additional capacity as well as experts who can provide evidence of benchmarking or experience of what works elsewhere.

6. Benefits realisation

This section sets out specific learning for both finance staff and staff in other services around the realisation of savings.

6.1. QUANTIFYING BENEFITS

The finance interviewees made a range of points about the quantification of benefits which affected the ability of the council to realise savings. In particular, the importance of buy-in from the service area to the savings target was emphasised; a number of interviewees mentioned savings targets where there was a lack of understanding of the basis or evidence for the saving and, as a result, there was no buy-in or ownership from the those that were required to deliver the initiative.

Similarly, the need to have a sound evidence base for the quantification of benefits was considered important. Projects with a clearly established baseline that were able to test approaches provided much more reliable estimates than those that were high level estimates or finance-imposed targets. Finance colleagues interviewed were generally clear which benefits were secure and those that were less so, and this was reflected in the RAG ratings used in monitoring reports. Interviewees consistently expressed their role in challenging the quantification and realisation of benefits, particularly if they seemed excessively large or 'too good to be true'.

Related to this was an acceptance from several interviewees that they have, at times, been overly optimistic with respect to the timing of the delivery of savings. It was noted that councils have on occasion underestimated the amount of change required to deliver a saving or that the assumptions underpinning the speed of realising savings were unrealistic, leading to a slower than planned realisation of benefits.

Example

One council was looking to increase commercial income from their property portfolio but they found that they were unable to increase rents without fixing some of the structural issues around the way the valuers and surveyors team worked, so the additional income took longer to realise than anticipated.

Another council sited an IT/digital project in which the focus was on getting the system in place in the belief that this would fix the problems whilst failing to address the redesign of services that it can enable (and where the savings would have been achieved).

6.2. DELIVERY MECHANISM

Interviewees identified that a key factor in the successful realisation of benefits was having a delivery mechanism behind the savings encompassing:

- Clear accountability for the delivery of benefits
- A detailed plan with actions and owners to achieve the savings
- Resources to deliver the transformation

Example

One council had a vision to develop some of their assets to create community hubs with voluntary groups in some and secure commercial income from the remaining property. But the vision didn't translate into a clear programme with clarity on where the income target would come from. So the Council was unable to secure the projected commercial rent without a larger investment.

Another council noted that historically savings in Adult Social Care had been high level markers where it was felt that something should be able to be done but there was no clear plan to deliver the savings. This has now changed, and the current targets are supported by a clear programme of work.

It was noted that a more agile or iterative approach to project delivery has been an effective way to avoid big project failures as the approach and benefits are constantly updated; projects can be and have been stopped early and benefits removed or reprofiled if evidence began to emerge which led them to appear unrealistic or unachievable. However, participants also noted that the agile approach presented some difficulties around governance, particularly in navigating projects through the conventional business case process. If the target savings were unknown at the outset, there could sometimes be challenges in releasing investments and agreeing to growth required to deliver the savings.

Examples

Each council approached business cases differently but several noted that the culture around this is changing:

- Lighter touch approach, including streamlining governance
- Greater emphasis on flexibility, risk management and collaboration
- Releasing tranches of funding to test or prototype approaches

Indeed, one council fed back that there was a view that the lighter touch approach was one of the factors influencing recent successful transformation programmes in Adults and Children's, and that this could not have been achieved if a detailed business case had been required.

6.3. RELEASING STAFF

Realising FTE savings was identified as one of the more challenging areas. Councils and projects that had been successful highlighted that this needs to be done in a measured way, with staff not released until the service has proven that the posts were no longer needed. In some of the pilot councils, even if a programme had been funded through central investment, savings were able to be 'cashed' against departmental targets which helped to release benefits relating to headcount.

Example

One council felt that a more agile approach to projects made benefits realisation more reliable for a number of reasons:

- As part of the process, the projects have established a clear baseline against which to monitor and sufficient detail to know how it is going to be delivered
- The approach secures collective ownership of the saving
- The test and scale approach enables savings to be written-off at an early stage if it is clear that the approach won't work.

But the importance of data analytics was noted in order to track the impact of the projects.

6.4. RELATIONSHIP BETWEEN FINANCE AND SERVICES

The relationship between finance and service areas was identified as crucial to successful benefits realisation. Relationships that were based on honesty, flexibility, and partnership - rather than an adversarial 'guardians of the public purse' approach - were the most effective. Indeed, those that were able to elevate the MTFP to an organisational endeavour, rather than solely the preserve of finance, secured the strongest buy-in and most fruitful relationships.

All four councils emphasised the need for Services to own their savings targets with two of the council finance functions making the decision not to set savings targets centrally but to allow services to identify their own. But there was a unanimous view of interviewees across all four councils about the strong

sense of accountability felt within services to deliver on budget. Indeed, services were clear that if their transformation programme failed to deliver the anticipated savings they would be expected to find the savings elsewhere.

6.5. PROJECT EXAMPLES

Example project: Adult Social Care

One council was able to reverse a history of overspending in ASC over a 4-5 year period, despite considerable growth in the service demand, with a transformation programme. The approach started with a piece of consultancy work to consult with staff and stakeholders on how to improve outcomes now and in the future and benchmarking service performance. This gave a clear direction of travel and a collective ownership which enabled them to create a programme with 3 strands, supported by a set of underpinning actions to deliver. The key factors that were considered to contribute to the success of this project were:

- Strong leadership of the programme: being available to staff; creating a task management culture; clear communication about what the programme is trying to achieve; and leading by example
- Clear ownership by the service with constructive challenge by CMT
- Good engagement of the workforce – the programme took their ideas about delivering better outcomes; provided consistent and honest messaging around the need to make savings but the driver being supporting communities better
- Good relationships with CCG strategic partners
- Member commitment and buy-in
- A savings plan that aligned to the project with clear accountability for delivery
- Close working relationship with Finance as a business partner with regular liaison as well as the S151 officer on the Programme Board.

Example project: Children's Services

At one council the Children's Service realised that salami-slicing budgets was no longer sustainable and they needed to find a new way to deliver services. They have developed a programme of work based on a simple approach:

1. Data analysis – look at outcomes and financial benchmarks
2. Best practice – look at what others are doing and what works elsewhere

3. Bottom up review – look at their own services in a bottom up way; map the service including the role of partner organisations; look for duplication; look for graduated service offers.

It is early in the programme, but they have managed to reduce spending on the 16-24 pathway and increased revenue for SEND services. The key factors in success were identified as:

- Working in partnership with other service providers
- Starting from the point of what the service wants to deliver rather than cutting costs
- Listening to staff and using them to design the solutions.

7. Forward look

This section sets out the forward look with respect to transformation savings, particularly the impact of the Covid-19 pandemic on the pilot councils' planned savings.

7.1. PRE-COVID-19 STATUS OF MTFP SAVINGS

All four pilot councils believed that they were broadly on track to deliver their MTFP savings prior to the pandemic; some had small budget deficits but they were confident that they could have been filled by the end of the financial year.

It should be noted that none of the pilot councils record centrally the savings achieved by individual projects; services are held accountable for project savings through their bottom-line budget and if one project failed to realise the anticipated savings, the service would be expected to make up the difference elsewhere. One of the pilot councils is in the process of implementing a system of central monitoring, but it is not yet in place.

7.2. IMPACT OF COVID-19 ON TRANSFORMATION PROGRAMMES

As with all local authorities, the pilot councils have all been negatively affected financially by the pandemic to varying degrees: commercial income has been severely hit, affecting councils to varying degrees depending on their reliance on this; some impact on social care spending has been observed, though not severe; and delays to transformation savings have been necessitated as staff have been diverted to other priorities, often in response to the pandemic.

But there was also a strong positive narrative from all interviewees on the impact of the pandemic on their organisations and how they work, in particular:

- It has driven positive cultural change by forcing councils to be more agile, make quicker decisions and flatten hierarchies, whilst also enhancing the focus on staff wellbeing
- It has changed the nature of the interaction between councils and their communities (residents, businesses, and other groups); specifically, it has accelerated the move online where expedient but also re-defined service offers where a blended approach (mixing online and face-to-face) may be required
- It has redefined the relationship between councils and partners in the community and voluntary sector, enabling a better use of community space

- It has, albeit an enforced necessity at the outset of the lockdown, facilitated effective working from home that has been well-received and shows signs of greater longevity as a workforce model, with the pilot councils working through any potential impacts on buildings and real estate that may emanate from this in the future.

7.3. FUTURE DIRECTION OF TRANSFORMATION

Despite the unprecedented nature of the current situation, the four pilot councils took a steady view of the future. Broadly, each council intended to continue with the same transformation programme they had in place pre-pandemic over the short-term. They were composed of 'the right things to do' and feedback was that the commitment to pursuing these outcomes as part of the transformational journey remained undimmed.

What had changed, however, was the anchoring context around those goals and the impact of the pandemic on that context. There was an acknowledgement that a focus on, for instance, economic recovery – interpreted in a broad sense spanning both financial inclusion for the most vulnerable and the fortunes of employers, businesses and traders within local economies – was going to become increasingly central to the future direction of local transformation. Alongside this, there was an acceptance that the timescales for some transformation initiatives that were previously underway were likely to be impacted, with the general view one of a 6-12-month delay.