Local Authority Transformational Models

WHOLE-COUNCIL APPROACHES TO TRANSFORMATION

1. Introduction

Local government funding has been heavily squeezed over the past few years, with cuts in grant of more than 35 percent over the last Parliament.[1] So it is not surprising that local authorities have sought to achieve better value for money, in particular by implementing new ways of operating that make their service delivery more efficient. Across the sector, councils have adopted a number of different whole council approaches to service transformation. In this report, we discuss a number of these approaches, or models, specifically **commissioning**, **cooperative**, **entrepreneurial**, **enabling**, **sharing** and **holistic**.

This report sets out briefly the key features of each model, as well as the benefits and challenges associated with them. It includes a number of potted case studies to illustrate how specific councils have put these models into practice, providing contact details and sources of further reading so that readers can obtain further information. It also identifies some themes that recur across the delivery models. However it does not attempt to make the case that one model is superior to the others, as different models work well for different types of council facing different situations. Neither does it suggest that adopting a council-wide model is appropriate for all councils. Instead the report seeks to help people make up their own minds about whether adopting a whole-council model or aspects of one or more approaches is best for their area.

The Local Government Association commissioned the think-tank Localis to carry out research between November 2015 and June 2016 on different whole-council approaches to transformation. Localis interviewed senior politicians and officials at councils that have adopted the models outlined in the report, as well as undertaking desk-based research.
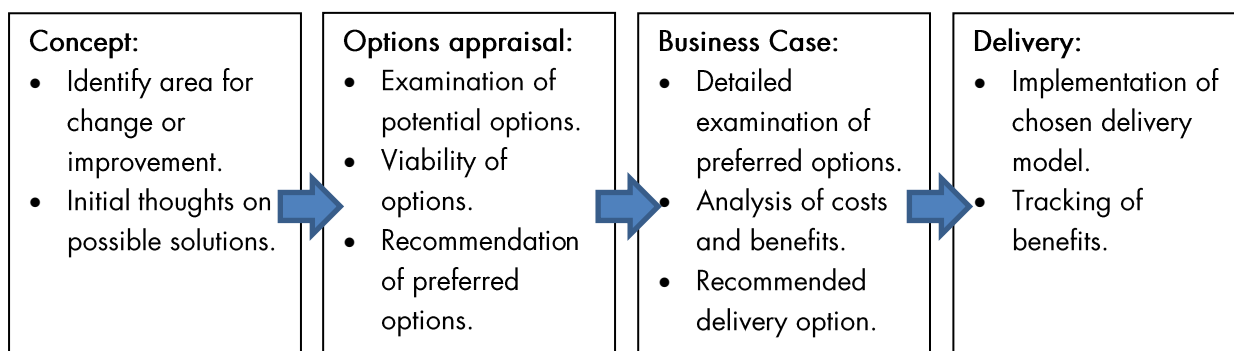
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[1] Institute for Fiscal Studies (2015) - Central Cuts, Local Decision-Making, p.1

2. Commissioning councils

2.1. Key features

Commissioning councils adopt a 'strategic commissioning' approach to the delivery of local services. This involves acting as place-shapers to identify needs within the population and develop a policy direction, service models and the market to meet those needs in the most appropriate and cost-effective way. Commissioning councils are 'provider neutral' in that they seek to commission the best quality service regardless of whether it is provided by the public, private or third sector. They assess what service is required, evaluate the commissioning options, commission the service and then monitor its delivery to ensure that it meets the needs of residents (see Barnet Council's staged approach to commissioning services below).

Concept:	Options appraisal:	Business Case:	Delivery:
• Identify area for change or improvement. • Initial thoughts on possible solutions.	• Examination of potential options. • Viability of options. • Recommendation of preferred options.	• Detailed examination of preferred options. • Analysis of costs and benefits. • Recommended delivery option.	• Implementation of chosen delivery model. • Tracking of benefits.

Source: Localis (2014) Meeting the Challenge in Barnet, p.11

2.2. Benefits

Some of the benefits of adopting a commissioning approach can include:

- Councils can take a more strategic overview, freed from having to deal with day-to-day issues associated with service provision. One senior official said that the approach gave his council "the space to plan for the future."
- Stimulation of local enterprise as councils can use their resources and buying power to create and develop markets in the provision of services to drive competition, choice and innovation.
- Opportunities to engage in joint commissioning with other local public sector organisations, including selling commissioning support services.

2.3. Challenges

Some of the challenges councils can face when employing a commissioning approach include:
- It can be hard to get relevant information to make informed commissioning decisions.
- Engaging with providers can be challenging when there has been a limited history of doing so.
- Difficulties exist in capturing and measuring value for users and communities in terms of measurable social returns and outcomes. Given the challenges in monitoring commissioned projects, one council leader told us that the approach was "no panacea".

- Members may have concerns about the approach leading to a loss of sovereignty. This can be addressed by putting structures in place so that they can properly scrutinise commissioning decisions and the quality of service providers are delivering.

2.4. Case studies

London Borough of Barnet (2010-Present)

Councillors in the London Borough of Barnet set the strategic priorities of the borough – in consultation with residents and businesses and within the context of the availability of resources – and agree a set of outcomes to be achieved. Services are then commissioned from a wide range of providers across the public, private and voluntary sectors to deliver these outcomes. Barnet has moved from being a council which provided the majority of services in house to one which now commissions the vast majority of public services from third party providers through a variety of different delivery models. In 2013 Barnet entered into two contracts with Capita for the company to provide functions such as corporate procurement, customer services, HR, IT, development and regulatory services on behalf of the Council. Overall these contracts are expected to deliver savings of up to £165 million over ten years.

At the same time, the Council has commissioned an arm's-length management organisation (ALMO) to deliver services to adults with learning disabilities, shared public health and legal services with the London Borough of Harrow, funded music services delivered by a charitable trust and brought recycling services in-house. By delivering services in a range of more efficient ways, the Council has been able to save a quarter of its budget between 2010 and 2015 with a limited impact on the front-line services that residents experience.

For further information, contact Stephen Evans, Director of Strategy, Communications & Customer Services Transformation, London Borough of Barnet: Stephen.Evans@Barnet.gov.uk.

Staffordshire County Council (2009-Present)

In light of financial pressures, the Council has adopted a new 'One Council' commissioning approach with the aim of achieving value for money and improved outcomes for residents. A particular focus is on giving residents access to more good jobs and the ability to live healthier, more independent, safer and happier lives, so that they are less dependent upon council services. With this outcome in mind, the Council along with Stoke-on-Trent City Council and the Local Enterprise Partnership commissioned a £44 million link road between the M54 and Jaguar Land Rover's £500 million engine factory. This will help to support 1,400 local jobs at the plant, while the councils expect to recoup the cost of the project through additional business rates.

The Council has also commissioned adult education services for 10,000 residents to meet a number of outcome priorities including learning new skills, becoming healthier and better understanding how to support their children. A commissioning approach has also been adopted by the Council to improve outcomes across services such as public health, adult social care, education, children and families, housing and infrastructure.

For further information, contact Andrew Donaldson, Head of Policy and Partnerships, Staffordshire County Council: Andrew.Donaldson@staffordshire.gov.uk.

The 2020 Vision Partnership (2015-Present)

Cheltenham Borough Council and Cotswold, Forest of Dean and West Oxfordshire District Councils have set up a joint working partnership, known as the 2020 Vision Partnership. While the sovereignty of each council is protected – with each able to specify their own preferred outcomes – the programme has created a single entity delivering a range of shared services initially governed through a Joint Committee. Subject to business case agreement later this year, the next step is to deliver services through a Local Authority owned company structure. The initial range of shared services include finance, procurement, HR, ICT, public protection, building control, legal, property, customer services, housing and revenues and benefits – although not all councils will be drawn on all of these services.

The 2020 Partnership sees commissioning as involving four stages: analysis of issues and needs, planning, sourcing/procurement, monitoring and review. At the outset the Partnership brought in expert advisers to work with Councillors to help build an understanding of how services can be designed to meet local requirements, specified, commissioned and procured through either the public, private or voluntary sector. It was accepted that there was a need for councils to have an intelligent client or commissioning capability that could monitor performance. A 2-3% efficiency gain has been assumed in the business case for the shared/joint commissioning of services; if there is agreement in the future to jointly commission further services then substantially greater efficiencies could be generated.

For further information, contact Peter J Hibberd, Strategic Programme Manager, 2020 Vision Programme: Peter.Hibberd@fdean.gov.uk or Rachael Orchard, Communication and Learning Officer, 2020 Vision Programme: Rachael.Orchard@2020partnership.uk.

2.5. Further reading

- Cheltenham BC Overview and Scrutiny Committee (2015) 2020 Vision Programme Commissioning Report, pp.4-7
- Localis (2011) Commission Impossible
- Localis (2014) Meeting the Challenge in Barnet
- Local Government Association (2012) Commissioning for Better Public Services
- Local Government Association (2014) Case Study Staffordshire County Council

3. Cooperative councils

3.1. Key features

Cooperative councils adopt an approach to service delivery which prioritises cooperative values such as social partnership, democratic engagement, fairness and maximising social value to create more robust, resilient and resourceful communities. Community action, engagement and empowerment are at the heart of this approach, which aims to change the relationship between the council and citizens.

Rather than being seen as 'customers' or passive recipients of services, communities and the individuals which comprise them are seen as co-creators of value, integral to the creation of a better society for all. This involves opening up new opportunities for citizens to become actively involved in decision-making, working with residents and community groups to co-produce services and opening up service delivery to include new models such as cooperatives and mutuals.

3.2. Benefits

Some of the benefits of adopting a cooperative approach can include:

- A focus on putting cooperative values into practice at a time when difficult decisions are being made due to limited resources.
- The prioritisation of prevention and tackling the root causes of social problems to make local communities more resilient. One council chief executive said that the cooperative approach is about ensuring "everyone does their bit".
- Building longstanding relationships between councils and local people based on trust. One chief executive said that the cooperative approach made residents "feel part of something". Another said that it allowed their council to develop a "strong identity".
- By engaging closely with local communities, cooperative councils can respond to the priorities of their citizens in their policy agenda, for both statutory and discretionary services.
- The potential for additional income generated through mutualisation where an appropriately commercial approach is taken.[2]

3.3. Challenges

Some of the challenges councils can face when employing a cooperative approach include:

- Involving residents in council decision-making and service delivery when "there isn't a manual" for doing so, according to a senior council official. It is important is to create a framework for involving residents, to communicate resource constraints to them and then work to apply their priorities where possible.
- Cooperative councils need to bring communities together in a way that does not exacerbate tensions where there are different views along ethnic and/or socio-

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[2] RSA (2013) - New approaches to commissioning and public service mutuals: lessons from cooperative councils, p.26

economic lines. Members have a key role to play in facilitating social partnership between communities and councils.

- Co-production can raise residents' service expectations.[3] Councils adopting this approach need to ensure that participants understand the financial constraints upon services.
- Mutualisation is a challenging process as it requires culture change and upskilling, a new approach to risk and finding solutions to potential barriers. If managers do not have the right skills, mutualised services will be unable to deliver their intended benefits. Care should also be taken to ensure a focus is maintained on the achievement of its core goals while at the same time mutualising individual services.

3.4. Case studies

Plymouth City Council (2013-Present)

Plymouth City Council has adopted a cooperative approach across the whole council through its commissioning strategy, support for cooperative groups, engagement with local communities and businesses, fairer charging policy and cooperative constitution. To tackle the issue of youth unemployment the Council has set up the 1000 Club to work with local businesses to broker work opportunities for young people. The Club has supported 800 jobs, 900 apprenticeships, 3,600 work experience opportunities and 330 graduate internships, reducing the need for young people to access council services by creating more resilient communities.

The Council has also set up a number of Community Economic Development Trusts, including one in north Plymouth where £3 million worth of land and property have been set aside for community use. One of the properties, a former care home, is currently being converted into a business hub, which will house 24 business units and create 65 jobs. The Council has also been able to put its cooperative values into action by setting up an energy cooperative to help reduce fuel poverty. This cooperative provides residents with a simple switching and advice service, affordable or free insulation and boiler schemes, and has raised £1.45 million through share schemes to fit free solar panels on local schools and community buildings.

For further information, contact Theresa Brooks, Policy and Business Planning Officer, Plymouth City Council: Theresa.Brooks@plymouth.gov.uk.

Oldham Council (2011-Present)

The Oldham Model of the cooperative council is a whole-system approach geared towards working with customers and partners to redesign services to build community resilience and create services that are co-owned and delivered together with local communities where possible. Get Oldham Working has been set up to bring together employers and public sector organisations to help prepare young people and the unemployed for work. This has helped to support 1,200 jobs, 350 apprenticeships and 650 trainee and work experience opportunities,

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[3] Lowndes, Pratchett and Stoker (2001) - Trends In Public Participation, p.212

which has helped to facilitate a sharp fall in youth unemployment of 35 percent from May 2011 to January 2016.

The Council has also set up trading company Oldham Care and Support with a staff council and community champions as non-executive directors and regular focus groups with service users to discuss business priorities. Faced with budget cuts of £4 million, the aim was for this organisation to grow its way out of this financial problem and help protect front-line services. It saved £2.6 million in the first year of its operation and secured £2 million in contracts, which helped make the service sustainable.

In 2013 the Council launched its Residential Development Framework to allow communities to collectively own and develop the type of housing they want in the area they want to live. Community Build Werneth Ltd is a vanguard of 'right to build', leading a new development involving 37 new 'custom-built' homes. The Council has also campaigned to deliver energy savings and bus fares for residents after consultations with local people suggested they were paying a disproportionate amount of their incomes in order to put its cooperative values into practice.

For further information, contact Jackie Wilson, Head of Strategy, Partnerships and Policy, Oldham Council: Jackie.Wilson@oldham.gov.uk.

3.5. Further reading
- The Cooperative Innovation Network Case Studies
- RSA (2012) Oldham's co-operative approach, pp.16-33
- RSA (2013) New approaches to commissioning and public service mutual: lessons from co-operative councils

4. Entrepreneurial councils

4.1. Key features

Entrepreneurial councils use skills and approaches derived from the private sector in order to save money and generate new income streams, in order to make themselves more financially sustainable. The entrepreneurial activities of such councils can vary from starting their own trading company, to generating income from property, to adopting a commercial mind-set which informs all council activities. The Localis report *Commercial Councils* found that in early 2015 over a third of councils were using entrepreneurial methods in at least one aspect of service delivery. A number have adopted the entrepreneurial model as a whole-systems approach to service delivery, systematically redesigning the way they deliver public services in accordance with the principles of entrepreneurialism.

4.2. Benefits

Some of the benefits of adopting an entrepreneurial approach can include:

- Income generation: Councils can generate income through traded services and property to pay for front-line services. This was described by a council official we spoke to as being the primary benefit of its entrepreneurial approach.
- Better use of assets: Councils can help to achieve regeneration and growth benefits for their local communities and businesses, while also benefiting financially from increased rental revenue streams, additional proceeds of taxation and higher prices for future asset sales.
- Local authorities can use their commercial experience to become the 'engine room' of the wider public sector by selling them services such as facilities management, IT, and back office functions.

4.3. Challenges

Some of the challenges councils can face when employing an entrepreneurial approach include:

- Entrepreneurial opportunities do not exist uniformly across all councils and geographic areas. Access to financial resources, land and skills are barriers to engaging to some entrepreneurial activities, such as investment in property and traded services. However, interviewees suggested that all councils have the potential to benefit from a commercial mind-set.
- The shift to a commercial mind-set can be particularly challenging for some local authority staff who may instinctively consider their 'public sector ethos' and entrepreneurialism to be mutually exclusive approaches. One interviewee said that this issue had dissipated when staff understood that entrepreneurial activity is helping to fund services for vulnerable people.
- Some members may need support to help adapt to a new approach that involves greater risks, such as investment in property and traded services. One senior official said that there had been an occasional "wobble", but members largely saw the benefits

of an entrepreneurial approach. Initiatives such as risk management workshops and the involvement of members in the scrutiny of large financial deals can help secure member buy-in.

- For some traded services, there can be more sellers than buyers. Therefore councils need to think carefully about which services have the potential to generate income. One council said that it would not introduce a traded service if the projected returns were less than 15 percent.
- There are also legal obstacles to setting up trading services in some areas. For example, it is not possible for place services to be sold directly to the private sector. Therefore it is necessary for councils to set up companies to trade through if they wish to do so.
- Where a council is purchasing services from its own traded company, there can be difficult conversations about cost.

4.4. Case studies

Essex County Council (2013-Present)

Essex County Council has set up a number of traded services which are generating new revenue to close the funding gap and support the delivery of front-line council services. An innovative 'business incubator' approach, created by Essex County Council, just under two years ago, actively supports and nurtures service areas within the Council that have potential to become trading businesses and deliver significant return on investment.[4] The Council has set up traded services in social care, libraries, schools, planning, place services, legal services and leisure services. Overall these traded services have generated net revenue of £7 million per year.

More widely, the use of traded services has created a much stronger customer focus within the Council. One example of how this has been applied is through youth services, which have faced financial challenges. The Council has developed a new way of delivering the service, which focuses on residents' needs and makes stronger use of community capacity and the voluntary sector to reduce the cost of service delivery.

For further information, contact David Wilde, Executive Director for Place Operations and CIO, Essex CC: David.Wilde@essex.gov.uk.

Warrington Borough Council (2011-Present)

Warrington Borough Council designs and runs commercial skills training for its employees across the Council. The training helps council staff adopt a more commercial approach to service delivery and has fostered the development of a working environment in which radical ideas are not dismissed out of hand. Instead, council staff are encouraged to draw up a business case in order to see whether their idea is worth pursuing.

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[4] Essex County Council (2015) - Essex County Council celebrates its entrepreneurial approach during Global Entrepreneurship Week 2015

The Council has also taken an entrepreneurial approach by investing in development projects, while retaining ownership of the property and land developed. This allows the Council to bring in additional income through rents and taxation from businesses that occupy the property that is developed and sell off the property and land at a higher value after it is developed rather than beforehand. The Council has also introduced an Invest to Save programme, whereby it funds projects through borrowing that will bring returns for the Council. For example, the Council has provided £275 million in loans to registered housing providers. As properties are built by these providers, the Council has been able to achieve multi-million-pound returns from increased council tax and a margin on the loans provided.

The Council has a Strategic Commercial Group chaired by the Council's Chief Executive and an entrepreneurial management culture is promoted across the Council. Strong corporate governance also underpins all commercial schemes that the Council enters into. The Council has implemented an outcome-based budgeting process with resources being allocated on the basis of the extent to which they will deliver priority outcomes.

For further information, contact Danny Mather, Corporate Finance Manager, Warrington Borough Council: dzmather@warrington.gov.uk.

Colchester Borough Council (2009-Present)
The Council operates trading services for telecare, monitoring, bereavement, building control and leisure services. They are also seeking to develop housing, office blocks and commercial/retail property to develop long-term revenue streams. The Council's total traded income has increased by 10 percent from 2013/14 to 2015/2016 and now stands at £10.3 million per annum. The property element of this income has risen by 7 percent to £3.2 million a year in 2015/16. Total traded income is expected to continue to grow to £10.7 million in 2016/17, which will provide additional funding that the Council can invest in front-line services at a time of funding cuts from Central Government.

For further information, contact Gareth Mitchell, Head of Commercial Services, Colchester Borough Council: Gareth.Mitchell@colchester.gov.uk.

4.5. Further reading
- Adrian Pritchard - Commercialising Services in Colchester Borough Council
- Local Government Association – Entrepreneurialism Case Studies
- Local Government Association – Public Land and Property
- Local Government Association – Enterprising Councils: Getting the most from trading and charging 2012 edition
- Localis (2015) Commercial Councils
- Warrington Borough Council (2015) Annual Report

5. Enabling councils

5.1. Key features

While councils within this category may refer to themselves as 'facilitating', 'coordinating', 'preventative' or 'campaigning', what we are calling collectively 'enabling councils' are united by their role in planning and overseeing the provision of services by a variety of providers. Crucially they are not concerned whether a service is one that is due to be delivered/ commissioned by the council, just that appropriate action is taken to ensure that desired outcomes are being achieved.

They take on a strategic role to identify problems that need to be addressed and then coordinate action across local public sector organisations and within communities to tackle these issues. They also seek to make the most of the assets which already exist in their local communities to enable a focus on prevention, capacity-building within communities and fostering social capital, minimising duplication between providers and correcting for market failures. This is achieved at the macro-level by identifying and filling gaps in service provision to micro-level initiatives such as ward budgets to enable voluntary groups to provide support within their local communities.

5.2. Benefits

Some of the benefits of adopting an enabling approach can include:

- Local councils taking a 'bird's eye view' of their local communities can identify underutilised capacity and areas in which service provision could be improved.
- By addressing gaps in services and supporting community groups, enabling councils can help local communities to become more resilient in the face of a reduction in council services.
- Councillors, as elected officials, are best able to represent the interests of local people and determine the priorities of local communities when it comes to considering what services should be provided.
- Increased coordination of the work of public sector bodies and voluntary/community groups by local councils to address important local issues and improve outcomes for residents.
- Where they are utilised, councillor ward budgets can facilitate greater empowerment for residents and members and lever in additional resources to support communities to improve their local areas.

5.3. Challenges

Some of the challenges councils can face when employing an enabling approach include:

- The hard work required in getting different organisations and groups to work together should not be underestimated. The enabling approach may work better if it is targeted on a number of key issues rather than applied across the board straight away.

- The enabling approach places a great deal of responsibility on members to engage with their local communities. Members need logistical and communications support in order to perform this function effectively.
- There is the risk that by involving communities in decision-making and service delivery, more involved members of the community may be given new powers at the expense of other residents. Councils will need to ensure that this approach benefits all residents, not just the most active.

5.4. Case studies

Suffolk Coastal District Council (2013-Present)

Suffolk Coastal District Council is facing the challenge of a growing and ageing population with increasing demands being placed on services, in addition to reductions in Central Government grant. In response it has adopted an Enabling Communities approach, which aims to build sustainable and thriving communities, which are able to deliver more for themselves. This is partly achieved by coordinating support from a variety of public sector bodies to tackle problem issues that are currently being ignored. For example, in Lowestoft the County Council, District Council, police and health bodies are working together to tackle a range of community based issues, including aspiration amongst young people, increased physical activity and tackling street drinking. As far as the latter is concerned, the number of hardened street drinkers has reduced from 36 to 4, which has lessened the burden on local hospital and council services.

The Council has also sought to build community resilience through its Enabling Communities Budget, through which members allocated £277,000 to community projects in 2014/15. Importantly £2.8 million was levered in from other sources, meaning that the Council only provided 9 percent of the total funding for projects that support its corporate priorities such as economic development (e.g. arts festivals, promotion of work opportunities) and helping residents become more resilient and so less reliant on council and other public services.

For further information on the Lowestoft multi-agency projects, contact Arthur Charvonia, Strategic Director, Suffolk Coastal and Waveney District Councils: Arthur.Charvonia@eastsuffolk.gov.uk. For queries about the Enabling Communities Budget, contact Nicole Rickard, Head of Communities, Suffolk Coastal and Waveney District Councils: Nicole.Rickard@eastsuffolk.gov.uk.

5.5. Further reading

- Local Government Studies 17(1) – The Enabling Council – a third model
- Public Works 17 – The Enabling Council
- Suffolk Coastal District Council (2014) – Enabling Communities

6. Sharing councils

6.1. Key features

Sharing councils share services with other councils and public bodies, the third sector, the private sector or a mix of partners to design and deliver services together in the most efficient way possible. While the case studies in this report will focus upon sharing partnerships between two or more local authorities, there have also been examples of councils entering in partnership arrangements with other public bodies (e.g. Wiltshire Council and Constabulary; Hampshire Council, Constabulary and Fire and Rescue Service).[56]

6.2. Benefits

Some of the benefits of adopting a sharing approach can include:

- Economies of scale – councils often have fixed assets that are underutilised. Sharing services can allow councils to work together to use the assets they have more productively and release the value from excess capacity.
- Increased staffing power and flexibility – having a critical mass of staff delivering services for two or more councils means that service provision can be more resilient than if each council had a smaller number of staff delivering a service on a non-shared basis.
- Increased purchasing power – operating as a larger organisation gives sharing councils greater power when it comes to negotiating contracts to reduce procurement costs.
- Opportunities for collaboration to 'average up' services – different councils often have different areas of expertise, ideas and skill sets – when these councils come together to share services they can share best practice and collaborate to solve the most pressing problems facing their areas.
- By working together, councils can become more resilient financially, while still retaining a separate identity and the ability to make their own decisions about service provision.

6.3. Challenges

Some of the challenges councils can face when employing a sharing approach include:

- Councils can choose to opt out of certain services, which can lead to complexity and reduce the potential savings that could result from increased harmonisation of service delivery.
- Ensuring that potential fears from members over loss of sovereignty for their council are addressed by obtaining buy-in and understanding of the member role in sharing councils and having clear governance structures in place.
- Having different sets of governance structures across more than one council can result in officers spending a large amount of time in meetings. One partnership had achieved consensus on governance changes to address this by rationalising structures and

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[5] Wiltshire Council (2013) - Cabinet Meeting notes on Strategic Partnership with Wiltshire Police
[6] Hampshire Chronicle (2013) - Hampshire police, fire service and county council to share services to cut costs

harmonising timetables, but another official we interviewed suggested that this process was "not worth the effort".

- Practical issues such as harmonising phone lines and IT services due to different councils having pre-existing contracts in place.

6.4. Case studies

Adur and Worthing Councils (2007-Present)

In 2007, Adur District Council and Worthing Borough Council took the decision to work in partnership to share services. The councils had originally only intended to combine refuse services to reflect the fact that each council had a refuse site situated just one mile from the other council's site. However, during initial discussions they realised they could achieve further savings and efficiencies by creating a single, senior officer structure and shared services across the two councils, the first approach of this kind nationally. The single senior officer team was created in April 2008 and since then almost all services have become joint teams, providing joint services to the people of Adur and Worthing.

Significant savings have been achieved through staff restructuring, service reviews and redesigns and joint procurement initiatives. The Partnership has also used new technology and telephony to enable a more flexible approach to work such as home, mobile and office based working styles and space saving initiatives through the use of corporate Electronic Document Record Management Systems. Through the shared services partnership, the councils have been able to achieve savings of £2-3 million per year. The councils are now working to design and deliver new end-to-end digital services in order to improve customer journeys and create further efficiency savings.

For further information, contact Alex Bailey, Chief Executive, Adur and Worthing Councils: Alex.Bailey@adur-worthing.gov.uk or Paul Brewer, Director for Digital & Resources, Adur and Worthing Councils: Paul.Brewer@adur-worthing.gov.uk.

West Suffolk: Forest Heath and St Edmundsbury Councils (2013-Present)

Since 2013 a single staffing structure, on the same terms and conditions and using the same ICT and processes, has worked seamlessly across Forest Heath District Council and St Edmundsbury Borough Council. The West Suffolk councils partnership followed years of informal joint working and was driven both by a strategic alignment and the need for greater financial resilience. Shared services has resulted in a 14 percent workforce reduction, saving a total of £3.8 million, but equally importantly the partnership believes that its single voice has led to a greater influence on the county, regional and national political agendas.

For further information, contact Ian Gallin, Chief Executive, Forest Heath District Council and St Edmundsbury Borough Council: Ian.Gallin@westsuffolk.gov.uk.

North Dorset District Council, West Dorset District Council, Weymouth and Portland Borough Council (Dorset Councils Partnership) (2015-Present)

The Dorset Councils Partnership has a single workforce and leadership team serving all three councils. This workforce delivers services for residents of all three councils, but each council remains independent and equal, with its own councillors, budget, council tax regime, brand and sovereignty. However, the aim is to deliver a common level of service where possible. The Partnership expects to deliver savings of £6 million by 2020 to build upon the earlier success of West Dorset and Weymouth and Portland Councils in achieving £3 million worth of savings per annum since 2011 through a shared services arrangement between the two councils.

For further information, contact the Dorset Councils Partnership via strongertogether@dorset.gov.uk.

6.5. Further reading

- Local Government Association (2011) Shared services and management: A guide for councils
- Tomkinson (2007) Shared Services in Local Government

7. Holistic/person-centred councils

7.1. Key features

An emerging approach to council transformation involves the adoption of a holistic, person-centred approach to delivering services. People who face multiple challenges often receive a wide array of services from a council involving different departmental silos. By taking a holistic approach, councils work to join up these services in order to deliver more efficient and outcome-centred customer journeys. Holistic councils seek to join-up services by ensuring that residents can access a wide range of services without having to contact multiple council departments. This helps to make customer journeys more efficient and also offers the opportunity for holistic councils to improve outcomes for residents that face multiple challenges in order to reduce the demand for council services.

7.2. Benefits

Some of the benefits of adopting a holistic approach can include:

- The person-centred approach means that residents can receive joined-up services without having to visit multiple outlets or give information about themselves on multiple occasions. This joined-up approach had been "critical" in preventing families becoming homeless for one council.
- Services can also be improved through a greater understanding of the multiple challenges that residents face.
- Residents are able to have greater control over the services they access from the council.
- It can help to avoid the replication of services, making service delivery more efficient and offering the potential to make savings and make councils more financially sustainable.
- A preventative approach can help to stop problems from arising at an early stage and also be a "significant contributor" to managing long-term demand for council services, according to a council official.

7.3. Challenges

Some of the challenges councils can face when employing a commissioning approach include:

- Getting different council departments and other public bodies to work together can be challenging given traditional silo mentalities. One council has introduced "Ambassadors" to link work between service teams.
- Implementing a holistic approach can involve a complete overhaul of IT systems. This can lead to delays in launching a new model. One officer said that changes in IT had been the "biggest frustration" of the transformation process, but would also generate significant improvements in service delivery once completed. One council said that it was important to prepare for a challenging transition phase by having sufficient staff in place if delays occurred.

7.4. Case studies

Croydon LBC (2015-Present)

The first phase of Croydon Council's People Gateway service began in July 2015, concentrating initially on bringing together services designed to comprehensively address customer issues with housing, welfare and debt management. As a result, the Council helped over 1,100 of Croydon's most severely affected families to avoid homelessness, 5,400 people to become more financially independent and 587 residents into employment, which enabled it to save £2.5 million a year. Phase 2 of the Gateway programme will broaden its scope to include adult social care, supported housing and children's social services, whilst they also coordinate a holistic review of the 50 most expensive families, costing £6.2 million a year. They believe this review and approach will improve customer outcomes whilst savings can also be achieved up to £1.6 million per year.

Croydon has also sought to create a holistic service by joining up enforcement services in its Place Department, including community safety, environmental crime, environmental health and regulatory services. The aim of this has been to reduce the duplication of effort involved in sending different officers to deal with different issues in the same locality. The Council is upskilling staff to deal with a wide range of issues and improving the use of IT, so that officers can work more efficiently on the ground and deliver improved levels of customer service. Overall these changes, which are currently being implemented, are expected to generate savings of £1 million per annum.

For further information, contact Mark Fowler, Director of Gateway and Welfare Services, Croydon LBC: Mark.Fowler@croydon.gov.uk.

South Hams/West Devon (2013-Present)

The councils have undertaken a complete overhaul in the way that services are delivered, scrapping traditional departments and moving to a holistic case management system whereby the vast majority of cases are dealt with by administrative members of staff with action taken by localities officers on the ground where necessary. Under the new system simpler cases are dealt with more swiftly, resulting in a more effective service for residents. More complex cases that require a long-term solution are assigned a case manager with specialists providing support where necessary.

The case management approach also allows the councils to provide a holistic response to people facing multiple challenges. This new approach has enabled the councils to reduce their non-manual workforce by 30 percent due to a reduced need for specialist staff, saving £2.6 million in South Hams and £1.4 million in West Devon. A new staffing structure has also been put in place with recruitment based upon six behavioural characteristics that align with the councils' new approach. Council staff work in a more agile manner, which has enabled the councils to save £0.3 million from letting surplus accommodation to external tenants and from savings on buildings costs.

A new IT platform has also been introduced, which allows localities officers working within the community to access and update their task lists in a more efficient manner. South Hams District Council has invested £4.6 million and is on course to achieve recurring savings of £3.3 million. West Devon Borough Council has invested £2.8 million and is on course to achieve annual recurring savings of £1.6 million. The payback period for investment into the Councils' T18 Transformation Programme is 2.5 years.

For further information, contact Steve Mullineux, Group Manager, Support Services and Customer First, South Hams and West Devon District Councils: Steve.Mullineaux@swdevon.gov.uk.

7.5. Further reading

- Croydon LBC (2016) People's Gateway Phase 2 Cabinet Report
- South Hams Overview and Scrutiny Panel (2015) T18 Budget Monitoring report – Quarter 2 2015/2016

8. Recurrent themes across Local Authority Transformational Models

While the service delivery models described above are all distinct, there are a number of recurrent themes that several, if not necessarily all, the approaches share:

- **Efficiency savings**: Across all models, efficiency savings have been the primary goal of transformation and have helped councils to protect services that might otherwise have been vulnerable to cuts, such as libraries and leisure centres.
- **Demand management**: A number of the models seek to manage demand for council services both in the short and medium terms.
- **A focus on residents' priorities**: Most of the models seek, in different ways, to ensure that services are effectively focused on residents' key priorities. This tacitly acknowledges that with council budgets likely to remain under pressure for the foreseeable future, it is essential to ensure that all expenditure is as closely informed by community needs as possible.
- **Building community resilience**: Giving local communities more involvement in the design and delivery of services can help to prepare them for a world where local councils have less money to support them. A number of models also focus on building community resilience through preventative measures.
- **Collaboration:** Promoting greater collaboration and collaborative leadership across the public sector is an important feature of the commissioning, cooperative, enabling and sharing approaches.
- **Growth:** Most of the models recognise the importance of economic growth for the future of local government. This particularly applies to entrepreneurial councils, but councils that employ commissioning, cooperative and enabling approaches have also sought to find new ways of supporting local economic development.

There are also a number of factors that are crucial in ensuring that the **Local Authority Transformational Models** are adopted successfully:

- **Strong leadership from senior politicians and officials:** It is essential that the Leader, Cabinet, Chief Executive and Senior Management Team work in tandem to provide strong leadership to drive forward transformation. Given that real change does not happen overnight, adopting any whole-council model requires sustained leadership from and close working relationships between senior politicians and officials over a number of years to make sure that transformation does not get knocked off course.
- **Upskilling the workforce:** Staff who are used to traditional methods of service delivery will need training and support to adapt to new ways of working. For example, they may need to learn how to commission services effectively, or develop their community engagement or commercial skills.
- **Engagement with staff:** It is crucial that senior managers take staff with them in the move to a new model if the necessary culture shift is to take place. One council produced a 'plan on a page' to encapsulate its approach in an accessible format; another set up training sessions in public sector reform; others held regular consultative

sessions in order to engage staff in the transformation process. It is also helpful if staff are able to appreciate how the new approach can empower them to improve the lives of local people and make their jobs more rewarding. New skills that staff develop can also aid their career development.

- **Communicating change to residents:** When adopting a new model, it is vital that this is communicated effectively to residents. Elected members have a key role to play in explaining how and why their council is transforming its services.
- **Changing role for members:** A number of the models involve ceding direct control of services. This will involve a different or enhanced role for members, whether as part of the governance of new companies, as part of the commissioning cycle, or as part of Overview and Scrutiny.
- **Change will take time:** Things may not run smoothly at first. When undergoing a transformation to an entirely new way of delivering services, it would be surprising if there were no teething problems. However, the gains of whole-council transformation are worth the struggle, according to many senior officers and politicians who have already undergone this journey. If employed effectively, the models can help councils to deliver savings to ensure that services are fit for purpose in the context of the continuing financial challenge and changing demand.

About Localis

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