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CHAPTER ONE

Introduction

This publication draws together a number of examples of transformation and change in the public sector.

There are of course many examples of public service transformation. While this publication is not a complete picture of all of the initiatives under way across all sectors, it does cover a wide variety of topics, such as managing change, new ways of thinking about and delivering services, and new approaches to harnessing and providing finance to support innovative work. It provides an opportunity to consider the lessons learned and their applicability for other services and contexts.

Many of the examples reflect the importance of relationships. Sometimes this involves new relationships and ways of engaging with, for example, communities, employees, providers, and sources of funding. Some of the examples suggest new sources for delivery and resourcing, including financing, while others are more about rethinking existing services and resources to deliver something new and/or with better outcomes.

One consequence of the changes seen in service delivery is that government at national and local level is, in some cases, shifting away from the role of directly delivering public services themselves. As a result, public sector bodies can find them themselves with an expansion of their role in other areas; for example, assisting with the development of partnerships and networks, providing new approaches to motivating others to contribute to service delivery, working on new arrangements to support local economic growth, rethinking social need, exploring different financing models, and so on. This is giving rise to new opportunities as well as new challenges.

Our hope is that we will be able to build on this publication with further examples and lessons drawn from across the sectors and make these available through various CIPFA channels including events, courses, and online resources. The last chapter of this publication includes some information about these.

The chapters of this publication have been written by a variety of contributors engaged in the topics who bring their particular insights to the subject. The topics covered are as follows:

- **Chapter two: *Transformation – critical success factors*** sets out a number of key factors for successful transformation. It considers the challenges surrounding risk, fear of the unknown, commercial ability and silo working, and then offers a range of factors to keep in mind when pursuing a new alternative delivery arrangement.
- **Chapter three: *The Lean library*** focuses on the operational systems level and describes the application of ‘Lean’ to a library service. It suggests that, when properly applied, much can be gained from a focus on customer needs, a passion for reducing waste and non-added-value activities, and giving everyone a voice and the opportunity to make change happen.

- **Chapter four: *Public service mutuals – supporting employee engagement*** considers the growing number of public service mutuals that have spun out of the public sector while continuing to deliver public services. These new mutuals are operating in a variety of settings; for example, in health, leisure, social welfare, youth and fire and rescue services. The chapter looks at the emphasis placed on employee engagement in the new mutuals and its importance for success. It also looks at various policy initiatives supporting this approach.
- **Chapter five: *Applying an investment mindset to public services*** describes the use of social finance, and social impact bonds in particular, in support of implementing innovative programmes aimed at delivering better outcomes. It makes the case for careful investment in prevention in order to reduce future demand, with corresponding improvements for service users and communities.
- **Chapter six: *Loans to registered providers – Warrington Borough Council*** provides an example of a local authority providing long-term finance to local registered providers of social housing, which in turn stimulates local growth, employment creation and the supply of affordable social housing.
- **Chapter seven: *Understanding communities to deliver effective services*** describes the public role of housing associations, and explores the virtuous cycle whereby investment in effective service development leads to both business improvement and social benefit. The chapter looks at the role of housing associations, the potential for social impact, measuring and monitoring social impact, and partnership working to deliver greater impact.
- **Chapter eight: *Redefining the local council tax reduction scheme*** offers insights into the approach taken by South Gloucestershire Council to restructure its council tax reduction scheme for 2014. This was not a piecemeal approach to change. South Gloucestershire’s solution was to transform the scheme and make it fit for purpose through 2014 and beyond. The chapter explores the approach the council took and how it obtained a local mandate for change from both council members and residents.
- **Chapter nine: *The national Local Government Pension Scheme Frameworks project*** describes how collaboration between a number of LGPS funds aims to offer benefits to all LGPS funds nationally, to help them procure specialist services from a range of qualified providers. This enables LGPS funds to leverage better prices through combined purchasing power, while crucially still supporting local decision making and service requirements.
- Finally, **chapter ten: *Resources and references*** pulls together references, links and sources of further information relating to each of the topics covered in the previous chapters. We have also included information on CIPFA’s activities in this area.

We hope you find this publication a useful and stimulating read.