



Department for
Communities and
Local Government

Brandon Lewis MP
Parliamentary Under Secretary of State

*Department for Communities and Local
Government*
Eland House
Bressenden Place
London SW1E 5DU

Tel: 0303 444 3430
Fax: 0303 444 3986
E-Mail: brandon.lewis@communities.gsi.gov.uk

To: The Leader
Local authorities in England

www.communities.gov.uk

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Your Ref: RWP/TK
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Dear Leader,

TRANSFORMATION CHALLENGE AWARD

I wrote to you on 21 March inviting expressions of interest from areas for support from the new network we are establishing to spread learning from the four Whole-Place Community Budget pilots and to work directly with local areas to co-design practical public service reforms. When announcing the network I also set out our plans for the new £9 million Transformation Challenge Award to support local authorities that are radically overhauling how they do business. I am now writing to invite bids from local authorities, either individually or from groups of two or more authorities, for support from the Challenge Award

The Transformation Challenge Award

This Challenge Award is available to support local authorities, including fire and rescue authorities, that are at the cutting edge of innovation for service transformation so that they are going further and faster in re-engineering service delivery and achieving efficiency savings. Such authorities can be exemplars for other local authorities across the country.

Accordingly, we are looking to provide support (**major multi-authority awards**) for radical innovations involving two or more local authorities combining their operations across all or a major part of their service delivery and back office, whilst maintaining their separate identity and political representation. The combined arrangements meriting support could, for example, involve several local authorities coming together to create shared arrangements over their major services of adult social care and children's services, perhaps linked with novel approaches on commissioning, procurement and the use of assets. A further example might be where several local authorities decide to move to a single operation across all front-line service delivery and back office, coming together to share a single chief executive and management team, a single workforce, common IT systems, joint procurement and contracting, and shared service delivery.

We also recognise that local authorities may wish to develop such combinations as part of wider public service reforms in their area, involving other public and private sector service providers and drawing on support from the new network.

We are also prepared to provide support (**authority awards**) for local authorities (either individually or jointly), which are pursuing particularly innovative measures for delivering efficiencies, increasing resilience, and giving better value for money for taxpayers. In addition we are also making funds from the Transformation Challenge Award available to support local authorities in receipt of Efficiency Support Grant.

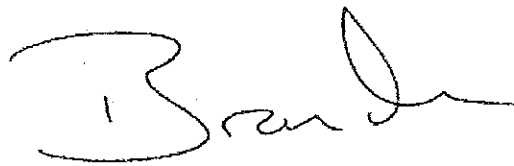
Accessing the Transformation Challenge Award

Local authorities (either individually or jointly), or groups of two or more authorities, wishing to take advantage of either **major multi-authority awards** or **authority awards** should by 14 July 2013 submit to the Department their bid for funds from the Award, setting out the innovative proposals for which they are seeking support. Bids should include a description of the proposed innovations and why the authority or group of authorities considers them to be at the cutting edge of innovation, estimates of the transitional costs of implementing the innovations and of the expected resulting savings, and in the case of a group of authorities, details of council resolutions confirming support for creating the group and implementing the proposed innovations.

We will select bids for awards, and the amount of any award, having regard to the total resources available, the number and nature of proposals received, including the scale of combination in group proposals and the level of innovation, and the estimates of costs and savings of each proposal. The intention, if sufficient bids meriting support are received, is to provide several major multi-authority awards and up to 30 authority awards. Major multi-authority awards may be up to £2m., with authority awards in the range £50k to £500k.

Further information on the Transformation Challenge Award, particularly on making bids and the basis of selection is set out in the annex to this letter

This is an important opportunity for your authority and I look forward to receiving your bid.

A handwritten signature in black ink, appearing to read 'Brandon Lewis', written in a cursive style.

BRANDON LEWIS MP