

DRIVERS AND PRESSURES FOR LOCAL GOVERNMENT

Aim of this resource:

- To provide an outline of the **key drivers and pressures** facing **local government** as prelude /scene-setting for workshop discussion about the HWNS tool

The systemic nature of drivers and pressures:

- There are a number of **direct** and **indirect** drivers of change, often acting in combination, that affect a system
- These drivers give rise to a **range of pressures** acting on that system
- The nature and combinations of pressures, lead to a particular **state of a system**
- The state of the system gives rise to particular **impacts** in relation to specific outcomes
- Where deemed appropriate, **responses** are made to these impacts
- Such responses can **directly or indirectly influence** the drivers, the pressures, the state or the impacts
- Together, this combination forms a **systemic framework**, known as DPSIR

DRIVERS AND PRESSURES FOR LOCAL GOVERNMENT

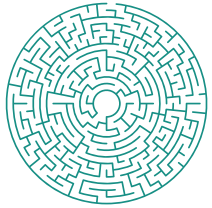
The sources we've drawn on:

- Not a full-blown literature review or meta-analysis
- Rather, a brief **overview** of key sources from academic and practitioner sources
- **Snowballing approach**, identifying further sources as review proceeded

Exploring implications:

- No systematic attempt has been made to address the **implications** of the drivers and pressures
- But **key themes** have been identified and synthesised
- These themes have been further enriched through discussion
- There are options for whether and how this may be taken further

8 KEY DRIVERS AND PRESSURES FOR LOCAL GOVERNMENT IDENTIFIED:



**LIVING IN A
VUCA WORLD**



**THE WEIGHT OF
MEGATRENDS**



**THE RISE OF
'PLACE'**



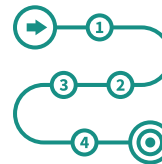
**NEW WAYS OF
WIELDING
POWER**



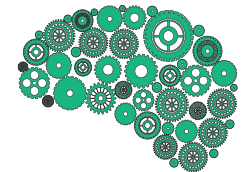
**THE POLY-
FRACTURED
SOCIETY**



**FUNDING -
BEYOND THE
SIZE OF THE POT**



**SHIFTING
EXPECTATIONS
ON LOCAL
GOVERNMENT**

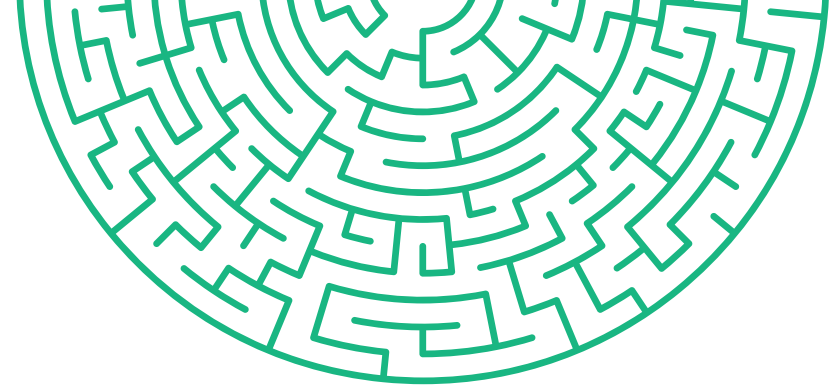


**RESEARCH,
INNOVATION
AND LEARNING**

LIVING IN A VUCA WORLD

The broad context in which we're all working is changing **rapidly and unpredictably**, with many of the old certainties gone or eroding quickly. We experience ubiquitous “**VUCA**” (volatility, uncertainty, complexity, ambiguity), with growing sentiments of living in a time of ‘**permacrisis**’ (an era of continual upheaval).

These manifest in a **lightning-fast pace of change**, the emergence of **wicked problems, virtuous and vicious circles**, and **limited effectiveness** of old ways of working. We see increasing risks emerging from pursuing **short-term agendas, incremental change, old-school approaches** and **siloed thinking**. As these risks are increasingly realised, pressures for **integrated solutions, new transaction structures and novel collaboration** across the board could mount and see restrictions on those that do not evidence a clear link with risk management and resilience building.



SIGNALS

- [Collins Dictionary 2022 Word of the Year](#)
- [The Unprecedented Rate of Change](#)
- [After half a century of 'wicked' policy problems, are we any better at managing them?](#)
- [Climate Change Cost The United States \\$165 Billion In 2022, And 2023 Could Be Even More Expensive](#)

SO WHAT?

01 How can local government insulate itself and prepare for the shocks of the fast paced change of a VUCA world or era of permacrisis?

02 How might local government mitigate risks from short term agendas and information gaps to ensure a long term perspective is embedded in the approaches taken?

THE WEIGHT OF MEGATRENDS

Our systems are influenced by **pervasive, long-lived & interconnected ‘megatrends’**, from globalisation and its effects, to COVID as an accelerator and exacerbator. Key pressure areas will continue to be at play as these megatrends evolve and take shape which will increasingly call for **systems based approaches** across various levels - from international, national, to local. Examples of key pressure areas include:

- **Green shift:** climate change, nature recovery, pollution, waste – and a shift towards systemic, sustainable and equitable transitions
- **Energy and food security:** exacerbated by the Ukraine-Russia war, cost of living crisis, and global power interests
- **Technology:** evolving transport, digital, data, connectivity, automation, and AI capabilities
- **Political and social polarisation:** identity-politics at all levels from local to global amplified by **new or alternative truth echo chambers**
- **Shifting economic structures:** from heavy/technical industries to services and knowledge-intensive sectors
- **Trust:** waning confidence in established institutions, experts, and knowledge forms
- **‘Resilience turn’:** reframing issues in terms of robustness to change and maintaining security



SIGNALS

- [World Economic Forum Global Risks Report 2024 Report](#)
- [Signals of the Future for Local Government](#)
- [To Energy Independence Through Net Zero](#)

SO WHAT?

01 How might local government keep track of megatrends and continuously explore the localised implications of these trends for their work?

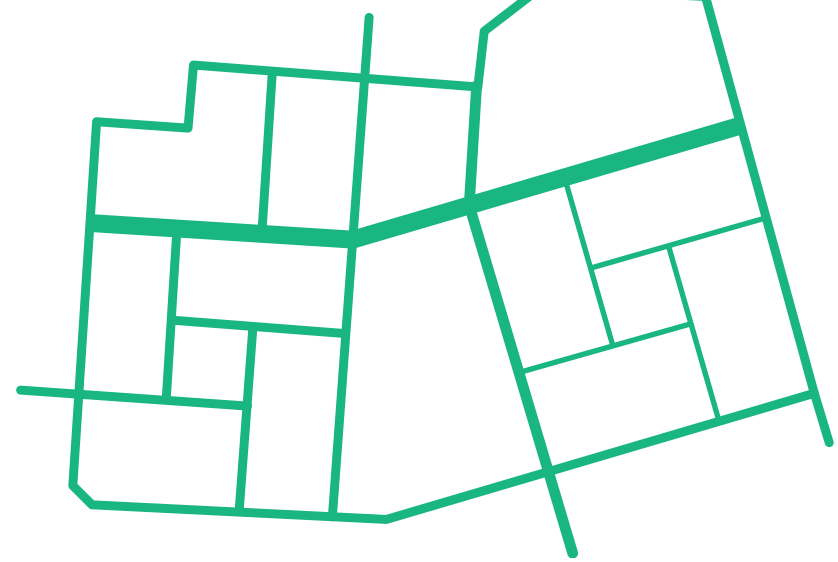
02 Which megatrends might local government want to leverage or mitigate (what are the opportunities and threats), how might they begin to do so, and who should be involved?

THE RISE OF 'PLACE'

In efforts to build long term transformation, shifting notions of 'place' – from 'where things happen' to ideas of '**place as constructed**' as well as '**place identity/rootedness**', bring to the fore **relational values**.

Scales and new geographies see **new arrangements** emerging such as the **hyper-local** housing and neighbourhoods, 15-minute cities, through to city-regions, sub-national areas, national, as well as multi-/inter-national and global shifts. The shifts seek to enhance **pride in place, greater trust, and resilience whilst celebrating diversity of place**.

These new arrangements also give rise to **tele-connections across geographies** (e.g. city coalitions), however working at and across different scales requires finding and **adapting** to the appropriate geographies with an **inbuilt fluidity** that accounts for **shifting values, local needs and visions**. This may bring out questions of **economic exclusion, democratic voice** and increasing demands on 'place' **infrastructure and services**.



SIGNALS

- [The Future of Local Area Planning in the UK](#)
- [Strengthening Our Place Based Approach and Supporting Levelling Up](#)
- [Build Back Local: Building Back Better](#)

SO WHAT?

01 Which opportunities or threats might the 'rise of place' and focus on relational values bring for local government?

02 How might local government seek to adapt to changing scales, geographies and arrangements and respond to potentially increasing pressures or expectations?

NEW WAYS OF WIELDING POWER

The inevitability of choice and decision-making has brought into question underlying values and processes, as well as the results (or lack thereof) existing structures yield. This is drawing out considerations for **new structures and frameworks** for wielding power focused on ensuring, not just enabling.

Calls for the **localisation of power and agendas** increase as a means to empower in a new era of services and needs, efforts to better **represent priorities**, and **enhance effectiveness** through **dispersed power, responsibility and accountability**.

Mechanisms under consideration include:

- **Leadership and empowerment** by taking and giving power through reimagined relationships, the rise of **local leaders** and new ways of working
- Enhanced **collaboration and partnership** over competition and an end to toxic 'unaccountability' amongst traditional power players
- **Community engagement** through participatory decision-making, people-powered services and considerations for the influence of **social media and community activism**
- Local government and local governance with the potential for 'double devolution'



SIGNALS

- [Deloitte State of the State Report Summary 2024](#)
- [In Planning The Future For Local Government We Must Not Repeat The Mistakes Of The Past](#)
- [Government Trends 2023 Deloitte](#)
- [Devolution Deal Set to Provide Huge Financial Opportunities](#)

SO WHAT?

- 01** In a potential new era of empowerment, how might local government rethink their priorities, embrace new responsibilities, and prepare to be proactive despite complexity?
- 02** What challenges and/or opportunities might devolution pose for local government and the objectives it seeks to deliver?

THE POLY-FRACTURED SOCIETY

The multiple co-existing and interacting **fracture-lines of inequality, exclusion, and division** continue to expand with **critical tensions** further emerging amongst the following:

- Democratic engagement
- Digital, IT, technology
- Income, wealth and standard of living
- Access to goods and services
- Age and generational equity
- Health and wellbeing
- Protected characteristics, tackling marginalisation, exclusion, and discrimination
- Education, skills & talent – across all age groups and social groups, technical vs academic skills; out-reach, access and inclusion

With increasing **pressures to boost productivity and growth**, demand for **joined up approaches** to ease the above tensions could become a priority in efforts to transform towards a **virtuous circle**.



SIGNALS

- **A New Britain: Renewing our Democracy and Rebuilding our Economy - Report of the Commission on the UK's Future**
- **Social Polarisation At The Local Level**
- **New Womens Health Priorities Announced**

SO WHAT?

01

What role can local government play in mitigating fracture lines of inequality, exclusion, and division and how might these principles be embedded in the local government agenda?

02

What partners might local government want to align with in order to facilitate joined up approaches and ensure room for differing views to be heard?

FUNDING - BEYOND THE SIZE OF THE POT

Overall funding levels count, but **ambition and priorities** matter more. Mechanisms for funding shift as authorities reconsider their approaches from **centralised capital to decentralised distribution** approaches to alleviate administrative burdens, overcome complexities in accessing funds, and **diversify sources of funding** from public to private finance. Whilst pressures to prioritise the priorities continue to build, new solutions give rise to potential **new transactional structures**, novel delivery models through **alternative routes to action** and **shared approaches to risk** on complex issues.

Timescales of funding become of critical importance with strict consideration for **short vs long-term** funds which in turn require the rethinking of ambitions, targets and responsibilities. Raising finance brings questions of **self-generating vs competitive bidding vs block grants** into perspective whilst **terms and conditions** such as those embedded through devolution deals, accounting rules, evidence and evaluation of outcomes and processes become more challenging and demanding. As such, funding becomes much more than just the size of the pot but all of the above considerations.



SIGNALS

- **Economic Indicators UK 2024**
- **Local Government Funding in England and How it Has Changed**
- **Sustainability Becoming Part of Mainstream Funding and Investment**
- **Local Services Will Cost at Least £8bn More by 2024**

SO WHAT?

01 How might local government adjust its agenda and ambitions to secure funding and build in considerations that go beyond budget amounts?

02 What new funding channels might local government pursue and what strings attached might need to be considered?

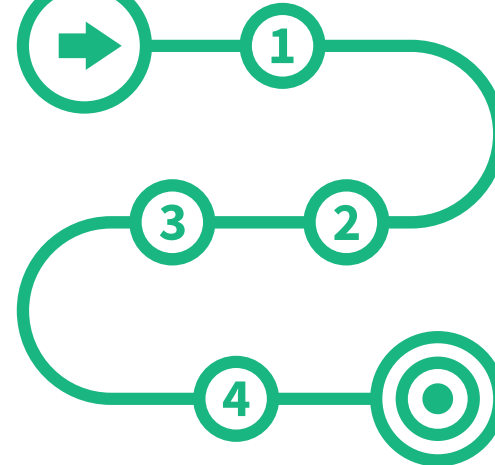
SHIFTING EXPECTATIONS ON LOCAL GOVERNMENT

As expectations of Local Government shift, authorities **re-imagine their basic roles** and face choices such as whether they will:

- ‘Administer’ vs ‘govern’
- ‘Enable’ vs ‘ensure’
- ‘Convene & commission’ vs ‘do & deliver’

Relationships and alignments within and between Councils, cross-Council, National Government & Arms’ Length Bodies also shift and with emerging powers, duties, and responsibilities questions of **joined-up approaches** rival against those of siloed action, propelling **‘issues led collaboration’**, whilst effective transformation is weighed up against **political appeal** and appetite.

Devolution further amplifies questions of approach as **customer and community needs-led initiatives** take priority and seek to test best practice. Nonetheless, pressures build to **deliver on key priorities** including productivity and growth, jobs and living standards, fair and sustainable transformations, focusing agendas on these cornerstones.



SIGNALS

- [The Future of Local Government PWC Report 2024](#)
- [The Future of Local Government KPMG Report](#)
- [Integration of Policymaking in National and Local Government To Achieve Net Zero Carbon Emissions](#)

SO WHAT?

01 What role and responsibilities does local government seek to have, if reimagining its basic roles? i.e. to administer or govern?

02 How might local government enhance approaches of customer and community needs-led initiatives, leveraging existing advantages local government holds?

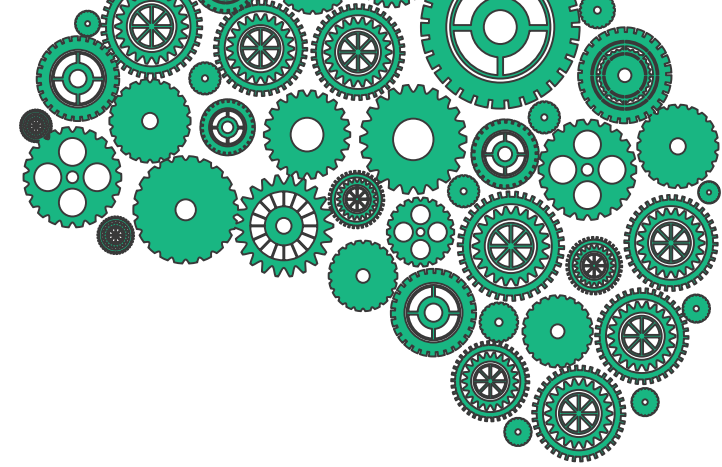
RESEARCH, INNOVATION AND LEARNING

The roles of **knowledge, skills, and capabilities** are increasingly referred to as critical to tackling many of the key themes, as well as **innovation** to support productivity and growth.

The critical roles of **Research, Development, and Innovation (RDI)** in developing **ideas and talent, forging partnerships, and creating coalitions of the willing** (vs 'picking winners') continues to build.

Local government and public sector connections with **education, skills, higher and further education, and participation in RDI** is also emphasised with notions of 'civic university' emerging.

Meanwhile the roles and responsibilities of local government in **exemplifying and embedding RDI approaches** continues to be a focal point whilst enabling a '**skills first strategy**' becomes a critical factor.



SIGNALS

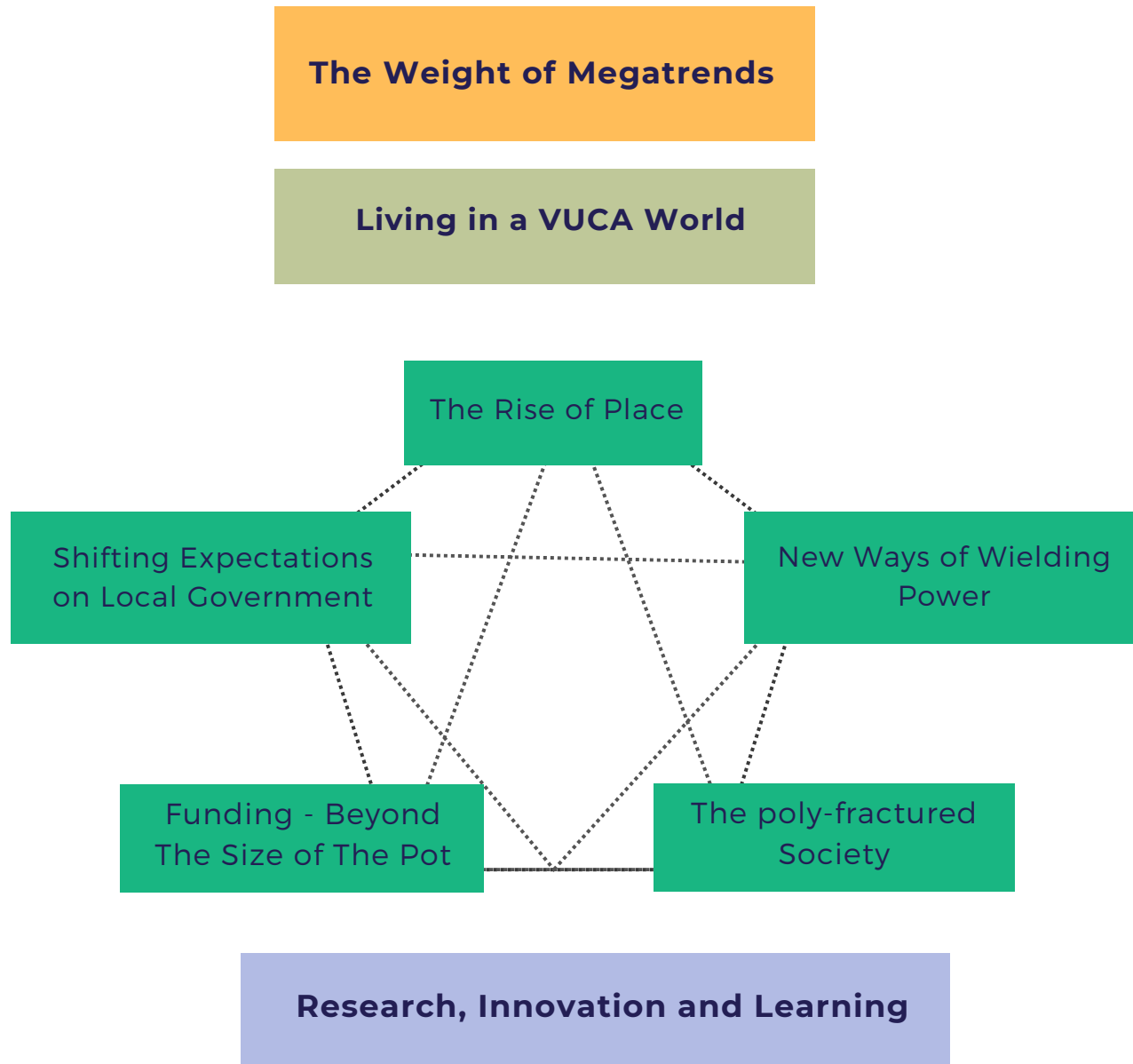
- [Digital Twin Cities](#)
- [What Does Digital Innovation in Local Government Look Like?](#)
- [Guide For Embedding Breakthrough Innovation in Local Government](#)
- [Digital Transformation in the Future of Local Government](#)

SO WHAT?

01 How will local government ensure that research, innovation, and learning is integrated in the work it conducts?

02 How might an innovation approach support the work of local government?

SYNTHESIS- ONE WAY TO JOIN THE 8 THEMES



HOW MIGHT THIS BE TAKEN FURTHER?

Extending the search and analysis – e.g.

- Deeper review of literature
- Drivers analysis – understanding relative uncertainty and importance
- Scenario building

Discussing the implications – e.g.

- Exploring interactions & dependencies
- Downscaling to sub-national levels and exploring cross-scale issues
- ‘Stress testing’ existing strategies and programmes (‘wind-tunnelling’)
- Identifying strategic options through SWOT analysis

Exploring how the HWNS tool may help – e.g.

- Identifying further data sources and system interactions
- Establishing scenario indicators and tracking/horizon scanning systems
- Assessing prospects for achieving HWNS outcomes in different futures

OTHER SOURCES

(alphabetical order by author)

- Association for Public Service Excellence (2012). The Ensuring Council: An alternative vision for the future of local government
- Commission on the Future of Local Government (2012).
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- Nesta (2015). What will the local councils of the future look like?
- PWC (2021) Future of local government
- World Economic Forum (2023) The Global Risks Report 2023

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