



**Department for  
Communities and  
Local Government**

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To: Leaders of English Local Authorities

Dear Leader

**£320 MILLION TRANSFORMATION CHALLENGE AWARD 2014-15 AND 2015-16**

Last week I launched the Transformation Challenge Award. This will make £320 million available to local authorities to support plans to work in partnership to create more effective and efficient services for local people. This is an important opportunity for your authority

I know that local authorities face real challenges in delivering high quality services but let's be clear, public services must work for the people using them, not those running them. Too often I hear about people getting passed around services rather than having their problems solved first time. They have to waste their time and energy trying to track down different people or repeating their story because services don't share information or solutions. This is not just frustrating for the service user but it also indicates great inefficiency.

I do believe that local authorities are best placed to lead this transformation in public services. But councils must be financially sustainable. Working in partnership will be vital. We need to significantly improve the way that public services are commissioned, managed and delivered. This could be two or more councils bringing together management, workforce, IT and assets in order to reduce costs. Or it may be local authorities working with partners – including other councils, local public service providers, voluntary, community and the private sectors - to design services which provide a better outcome for residents.

I recognise that these kinds of radical change can require upfront funding. Last year I invited bids for the Transformation Challenge Award. I received 145 bids for the £13m funding pot and there were 31 successful bidders. The projects which are currently being delivered range from integrated health and social care to transforming electoral services to improving children's services – and they are all delivering better outcomes for local people. The successful bids from last year's Transformation Challenge Award are available via <https://www.gov.uk/government/publications/transformation-challenge-award-winning-bids>

Last year's Transformation Challenge Award showed there is a real appetite from councils to do things differently and come together in partnership with others. Many councils are already thinking about how to do this, but could do with some impetus from us to help them go further and faster sooner.

That's why we've set up the Transformation Challenge Award: to reward plans to improve services for people and to support imaginative ideas that will have a significant impact. We are making available £15m in 2014-15 and £105m in 2015-16, plus a further £200m capital flexibility for asset receipts. Some of it is specifically set aside for the smallest authorities who can sometimes face the biggest hurdles to change. This money means that councils and their partners can afford to be ambitious and go further and faster in their plans.

Further information on the Transformation Challenge Award, particularly on making bids is available online. <https://www.gov.uk/government/publications/transformation-challenge-award-and-capital-receipt-flexibility-2014-to-2016-prospectus>

I want this new Transformation Challenge Award to help councils make the changes they need. I know it's not easy and there are hard choices to make, but this upfront funding is designed to help pave the way. This funding will make a real difference to your residents, by transforming services and improving their lives.

I look forward to seeing some exciting and interesting proposals that will make a positive and lasting difference to your community.

A handwritten signature in black ink, appearing to read 'Brandon', with a long horizontal flourish extending to the right.

**BRANDON LEWIS MP**