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HM Treasury



Organisational Transformation Programme

Lessons Learned Review

Prepared for Shropshire Council

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Abbreviations	
SC	Shropshire Council
PwC	PriceWaterhouseCoopers LLP
CEX	Chief Executive
DGG	Delivery Governance Group
TIOSC	Transformation and Improvement Overview and Scrutiny Committee
TMTFSTFG	Transformation and Medium-Term Financial Strategy Task and Finish Group
SoW	Statement of Work



1 Summary

1.1 Purpose of report

This report sets out the findings and recommendations from a lessons-learned review of the transformation programme undertaken by Shropshire Council. The review examined, in particular, the strategic purpose of the partnership with PwC, how the relationship was managed, and the extent to which it achieved the objectives established at its inception.

Shropshire Council's Transformation Programme was a wide-ranging, strategically driven effort designed to modernise services, deliver significant financial savings, and reshape the organisation for long-term sustainability. Working in partnership with PwC from February 2023, the council pursued a programme of service reviews, digital modernisation, third-party spend reduction, and operating model redesign, collectively identifying substantial savings, including £19.1m through service reviews and £4.4m through supplier negotiations. This was alongside major digital improvements such as the rebuild of the My Shropshire portal and extensive automation of customer journeys. The programme was closely aligned to the ambitions of the Shropshire Plan.

It is understood Shropshire Council engaged PwC as its strategic transformation partner because the council faced significant financial and organisational pressures and lacked the specialist capacity needed to deliver a large-scale change programme at pace. It required expert support to identify and realise more than £30 million in recurrent savings, redesign its operating model, and undertake complex work on customer experience, commissioning, and third-party spend. Internal documents show that PwC was brought in to provide the capability and technical expertise, such as digital modernisation and analytical support, that the council did not have in-house, helping to accelerate savings delivery and support the wider ambitions of the Shropshire Plan.

The purpose of this review was to provide an independent, objective assessment of the lessons that could be learned from commissioning and managing the PwC assignment, and to offer constructive advice for how similar work could be managed in the future. Although not a financial audit or technical review, it focused on adding value to the council through a forward looking, collaborative approach aimed at identifying opportunities for improvement. Funded by the Local Government Association Sector Improvement Grant, the review involved examining programme documentation and conducting nonattributable interviews with stakeholders to understand delivery, risks, issues, and how well the commission met its original objectives.

1.2 Summary of Lessons Learned

The Local Partnerships Review Team (detailed in Appendix C) identified the following lessons learned, which are prioritised using the definitions below:

- **Critical (Do Now)** – These lessons learned impact council 'business as usual' and should be implemented as a matter of priority.



- **Essential (Do By)** – To increase the likelihood of a successful outcome of any future transformation project the action should be taken as soon as possible.
- **Recommended** – This is advisory in nature to contribute towards a successful outcome of any future transformation programme.

Ref	Lesson Learned	Definition
1.	The decision to embark on any future transformation programme should be supported by a suitable business case. This should include an options appraisal of how the market is to be engaged (Commercial Case), programme managed (Management Case) and best value ensured (Economic Case).	Critical
2.	Governance arrangements should ensure that a broader constituency of senior leaders are involved in key decision-making, in particular with regards to commercial management of the contract. Consideration should also be given to succession planning and continuity to long term transformation programme governance.	Essential
3.	Ensure future transformation programmes undergo regular assurance reviews to make sure strategic coherence is maintained through the lifetime of the programme. Is the programme still delivering what the council requires in the way we want? Are we still offering value for money? These are questions that should be revisited on a regular basis.	Essential
4.	Given the likely size and criticality of future transformation programmes, the council should consider applying appropriately robust scrutiny to such commissions. This should include scrutiny by elected members and the use of Internal Audit.	Essential
5.	The governance arrangements for future transformation programmes should be provided with a high-level oversight function in the form of an 'Organisational Design Authority'. This would sit across the various workstreams, ensuring decisions are strategically consistent, operationally aligned and evidence led.	Recommended
6	Within the proposed Organisational Design Authority, future transformation programmes should formally embed digital, automation and technology leadership within programme governance. This will further ensure that technical feasibility, architectural dependencies, system integration risks and testing requirements are fully understood and appropriately considered in key programme decisions.	Recommended
7	The council should ensure that future transformation programmes are embraced by the entire organisation, both officers and members, rather than just parts. It is suggested that this is achieved through active and visible senior leadership and effective communication.	Critical
8	Communication and engagement associated with future transformation programmes could greatly benefit from a comprehensive Communication Plan. The strategic context of the programme, the potential impact on the relative services and the consequences of failing to change need to be spelt out clearly prior to commencement. It should also be recorded how feedback from staff, members and residents will be gathered and managed.	Recommended



Ref	Lesson Learned	Definition
9.	The roles and responsibilities of the future transformation partner, project management and the individual services need to be clearly defined and communicated prior to commencement.	Essential
10.	The effective operation of the Finance function should be a critical success factor for future transformation programmes, with the Section 151 Officer, Finance staff and important financial management systems and processes at the heart of the programme.	Essential
11.	Future transformation programmes should be provided with a complete, fully integrated project programme. This should be realistic about the time required to achieve transformational change and understand the key dependencies and critical path involved. It should also reflect the extent to which departments can deliver against it and take into account external factors (such as a CQC inspection).	Recommended
12.	<p>In undertaking future digital transformation programmes, the council should ensure it continues to have the capability and capacity to:</p> <ul style="list-style-type: none"> • understand the system technology experience. • be clear on what is required as an intelligent client on behalf of the organisation e.g. ability to challenge and identify unknowns e.g. hidden fees, suitability of proof-of-concept KPIs. • understand the adviser market and structure the procurement and partnership in a way that achieves value for money. • understand the capacity of departments to engage and that BAU is not a constant e.g. Adults – CQC inspection, Revenue and Benefits – need to improve debt recovery. • appreciate the difficult obligations that transformation brings in terms of re-designing processes that result in surplus staff. • ensure advisers are software and system agnostic. <p>But also, governance arrangements that ensure there is a clear and effective escalation route from this specialist expertise into formal decision-making (ref. Recommendations 1 and 5).</p>	Essential
13.	The council should ensure that future transformation programmes are led by council officers forming a 'smart client' function. This should define the strategic direction of the programme, actively manage the 'delivery partner' and provide a visible lead on all communications to the entire organisation.	Essential
14.	The on-going assessment of the status of realisable savings identified by PwC should be completed and confirmed by the council i.e. the savings are implemented and accounted for in revenue budgets, or the saving values are agreed as realisable and are either accounted for in revenue budgets but not yet implemented or are awaiting action to implement and account for in budgets.	Essential

2 Background

2.1 Overview.

The council commissioned Local Partnerships to undertake an independent lessons-learned assessment of Shropshire Council's strategic transformation partnership with PwC. It was funded by the LGA's Sector Improvement Grant and undertaken the week commencing 26th January 2026. Its purpose was to understand how the contract had been commissioned, managed, delivered, and ultimately terminated, identifying what improvements were needed for future transformation programmes.

2.2 The purpose and scope of the Lessons Learned Review

In undertaking the lessons learned review for the council, and on the basis of the information made available to us, we sought to:


- identify specific areas of potential improvement for future delivery of similar transformation programmes and offer recommendations for how this could be achieved.
- identify areas of potential risk in the future delivery of similar transformation programmes and suggest potential mitigation and management actions.
- identify aspects of the PwC engagement that appear to have worked well and not so well, considering both the commissioning process and delivery. This included examining whether the partnership was structured effectively, whether roles and responsibilities were clear, and whether the intended outcomes were articulated and achieved.
- assess governance, reporting, and visibility to members, evaluating how decisions were made, how progress was monitored, and whether oversight mechanisms were robust.
- review the savings and how successfully these were realised, providing comments on perceived and actual value for money,
- provide recommendations for future commissioning and contracting arrangements, working with external consultants in general and specifically in transformation partnerships and improvement planning, ensuring lessons learned are embedded into future procurement, governance, and delivery models.

2.3 Our Approach

Our approach to the lessons learned exercise was constructive and forward thinking. The review sought to draw as much learning as we could from the council's experience of the programme. This could be applied to business-as-usual activities or future transformation programmes.

The lessons learned review was delivered in three stages:

- Stage 1: Preparation and documentation review (Appendix B).

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- Stage 2: Stakeholder engagement – this consisted of ten one-to-one interviews with appropriate council officers (Appendix A).
 - Stage 3: Analysis of findings, development and prioritisation of recommendations and feedback to the council.

Preparation and Desk Top Investigation

The review team spent time preparing for the review, carrying out pre-reading and researching the key issues. Documents were provided by Shropshire Council prior to the review.

By reviewing this documentation, the review team could develop a keen sense of the role of the Project Management Office ('PMO'), how it fits within the overall council scheme of delegation and ascertain key issues experienced regarding the PMO and inform lines of enquiry with stakeholders.

Stakeholder Engagement

Following discussions with the council, the review team carried out a series of short interviews with a wide range of stakeholders involved [to a greater or lesser extent] in the programme. These included senior officers, elected members, programme team staff, individual service leads, and members of the PwC team.

Each interview was 45–60 minutes in length and conducted on a non-attributable basis. This approach enabled participants to speak openly, with the review team drawing on and triangulating the insights provided without attributing comments to individuals, something we have found encourages honest and accurate reflections.

An original limitation of this review was that several key stakeholders, who were instrumental to the programme, were originally unavailable for interview. As a result, further interviews were conducted with two external stakeholders after the release of the original report for client review.

In addition, the change in Shropshire's administration following the May 2025 election meant that no elected members from the previous administration involved in the arrangement were available to contribute to the interviews.

A full list of stakeholders interviewed is provided in Appendix A.

Analysis, Report Writing and Feedback

When the stakeholder interviews had been completed, the review team spent time collating the information and data, developing their analysis, and drafting this report. This report includes the observations gathered during the review, along with the conclusions and recommendations arising from the analysis.



The report findings and lessons learned have been out in Section 3. The analysis was organised into seven main areas, with individual lessons identified for each.

- **Inception and Strategic Alignment:** strategic fit, commissioning process: clarity of objectives, procurement approach, and alignment with strategic priorities.
- **Governance and Organisation:** structure and management: effectiveness of terms, variations, and governance structures.
- **Leadership and Culture:** the conditions for delivery and outcomes: whether milestones were achieved and benefits realised and if not, why not.
- **Programme and Commercial Management:** the coordinated governance and oversight of multiple related projects to ensure they collectively deliver strategic, long-term organisational outcomes.
- **Communication and Engagement:** quality, timeliness, and visibility to elected members and senior officers.
- **Capacity and Capability:** current strengths and weaknesses and the effectiveness of knowledge transfer: extent to which internal capability was strengthened for future transformation.
- **Value for money and potential for further transformation:** assessment of costs against tangible outcomes and benchmarking against similar engagements. Whether it is possible to identify any further opportunities for transformation which have not yet been implemented in full.



3 Findings and Lessons Learned

3.1 General

The review acknowledges that there has been significant change within Shropshire Council since PwC was first appointed as the Council's Transformation Partner, with several key officers having since left. In addition, the May 2025 elections brought a substantial shift in political composition, resulting in a change of administration. Consequently, some former staff and many elected members were no longer available to contribute to the review.

An attempt to address this gap in input from strategic leadership has been made since the first issue of this report. Structured conversations with both the previous Section 151 officer and the Assistant Director for Transformation have now been held. The result of these additional conversations has now been taken into account in this version.

3.2 Inception and Strategic Alignment

We understand the decision to appoint PwC as the Council's Transformation Partner was driven by four core objectives: to secure an independent, third-party assessment of the organisation; to draw on insight and learning from other councils' transformation journeys; to gain access to additional transformation capacity whilst also benefitting from external challenge and expert advice in responding to the Council's significant budget pressures.

The long-term strategic ambition was set out in the new 'Shropshire Plan: Shropshire Living the Best Life', as referenced in the invitation to bidders. However, the scope and focus of the work delivered, appears instead to have been shaped predominantly by short term financial pressures, particularly the need to secure substantial, immediate savings. Given the scale of the budget challenge at the time, this is perhaps unsurprising.

Shropshire Council procured its Transformation Partner through the Crown Commercial Service's (CCS) RM6187 Management Consultancy Framework (MCF3, Lot 3). The contract was awarded primarily on quality (60%), with price accounting for 20%, and Knowledge Transfer and Social Value each contributing 10% to the overall evaluation. The use of the CCS framework is a common procurement tool used by many councils. However, it is but one of a number of options available to the council which it could have used to achieve its strategic objectives. We have seen no evidence of alternative options being considered, such as breaking the commission down into perhaps more manageable work packages or considering the possibility of undertaking more transformation activities internally.

From the information made available to us, there is also no evidence of any formal business case being produced to support the decision to seek a 'Transformation Partner' or indeed to appoint a single supplier in PwC. The absence of such a case has the potential to have impacted the commercial management of the relationship, the governance applied to it and how benefits were managed and accounted for.



Ref	Lesson Learned	Rating
1.	The decision to embark on any future transformation programme should be supported by a suitable business case. This should include an options appraisal of how the market is to be engaged (Commercial Case), programme managed (Management Case) and best value ensured (Economic Case)	Critical

The commission was awarded on the basis of an initial twelve-month arrangement, with an option to extend for a further two years if required. The commission was bid competitively, with two other bids received as well as PwC. The three bids we believe were regarded all as compliant, with PwC winning out. The relative merits of each remain unclear as no comparative tender evaluation was available for review.

The subsequent contract's payment structure comprised of elements:

- a fixed fee component payable irrespective of outcomes
- a milestone-based component released upon the successful delivery of agreed milestones, and
- a contingent component linked to the identification of cashable savings.

While such payment models are not unusual for commissions of this nature, the proportional balance between these elements must be carefully designed to ensure that performance risk is shared appropriately between parties, thereby delivering value for money. Some interviews revealed concerns about the calibration of these different elements. Some perceived the early termination of the contract as preventing the realisation of savings that had been identified but not yet delivered.

3.3 Governance and Organisation

The principal governance arrangements providing direction and challenge to the Transformation Programme evolved over time. However, no comprehensive governance map appears to exist to show how strategic oversight was intended to operate, nor how the programme was expected to interface with the Council's established governance structures. This absence of a clear, documented framework made it difficult for the review team to understand how accountability, escalation, and decision-making were meant to function across the programme's lifecycle. In particular, how the change programme interfaced with the council's own governance framework.

The primary joint governance forum overseeing the Transformation Programme appears to have been the Delivery Governance Group (DGG). This group brought together both Council officers and members of the PwC team. It was chaired by the Council's Section 151 Officer, with regular attendance from the Assistant Director for Transformation and the Programme Manager, alongside other PwC representatives. Together, it is understood this group was intended to provide strategic direction, challenge, and oversight across the programme.

The Chief Executive's Senior Executive Management Team (EMT) exercised, through its meetings, a degree of oversight over the Transformation Programme at the Bi weekly



Executive Review Board (ERB). The meeting operated on a dual, biweekly rotation. With the EMT one week and a programme board the next. Alongside the Chief Executive and the Section 151 Officer, the ERB included the three Executive Directors, the Assistant Director for Transformation, Assistant Director of Finance & ICT (deputy s151 officer), Assistant Director – Workforce & Improvement, the Programme Management Office Manager and Head of Communications and Engagement. PwC leads also attended part of the sessions with other programme leads brought in as required/relevant e.g. IT, Service areas, Assistant Directors.

This forum provided an important, though limited, opportunity for the wider leadership team to scrutinise progress, challenge assumptions, and offer insight into the management of the partnership with PwC.

However, it appears from information made available to the review team that the manner in which roles and responsibilities were allocated within the EMT meant that commercial oversight of the transformation partner rested almost entirely with a small number of individuals. The review team has seen no evidence to suggest that matters relating to payments, contract variations, and performance management were brought to the wider meeting for scrutiny. Instead, from the information made available as part of the review, it appears these issues were handled within a very limited circle of senior officers, reducing opportunities for transparency and limiting organisational challenge.

While the sensitive nature of transformation work understandably requires a significant degree of confidentiality, it is nonetheless an endeavour that must be owned collectively by the organisation.

Effective governance should be transparent, clearly setting out where decisions are made, how oversight is exercised, and the routes through which issues can be escalated as they arise. Establishing this clarity is essential to building trust, enabling constructive challenge, and ensuring that the organisation can engage fully and confidently in the transformation process.

The governance arrangements should also accommodate feedback from technical (i.e. IT) and other services to inform their programme decision making. The subsequent departure from the council of a number of critical members of the board highlights the importance of a clear succession plan.

Ref	Lesson Learned	Rating
2.	Governance arrangements should ensure that a broader constituency of senior leaders are involved in key decision-making, in particular with regards to commercial management of the contract. Consideration should also be given to succession planning and continuity to long term transformation programme governance.	Essential

A review of the agendas and minutes of the Transformation and Improvement Overview and Scrutiny Committee (TIOSC) indicated that although progress on the Shropshire



Plan was regularly reviewed, the PwC work seemed not to be subject to direct scrutiny by committee members. A report to the TIOSC from the Transformation and Medium-Term Financial Strategy Task and Finish Group (TMTFSTFG) refers to contact with the PwC team but it is not believed from the documentation provided and brief review of information already in the public domain that the PwC commission was brought in front of elected members directly at any point.

The review could not find any instance over the course of its duration where the PwC commission underwent any form of internal assurance or challenge with regards to the continued strategic fit of PwC.

Ref	Lesson Learned	Rating
3.	Ensure future transformation programmes undergo regular assurance reviews to make sure strategic coherence is maintained through the lifetime of the programme. Is the programme still delivering what the council requires in the way we want? Are we still offering value for money? These are questions that should be revisited on a regular basis.	Essential

Similarly, Internal Audit within the Council was not commissioned to include PwC's work in the annual audit plan. Although there is indirect reference to the commission in audits of both Children's and Adult Services, it seems no dedicated audit of the PwC assignment was ever undertaken.

Ref	Lesson Learned	Rating
4	Given the likely size and criticality of future transformation programmes, the council should consider applying robust scrutiny to such commissions. This should include scrutiny by elected members and the use of Internal Audit.	Essential

3.4 Leadership and Culture

The review highlighted a consistent view among stakeholders that commitment to the transformation agenda varied significantly across the organisation. While it appears some services fully embraced PwC's work in identifying and delivering potential savings, others were more resistant or reluctant to engage.

It should however be noted that this failure to engage in the process could be far more complex than cultural resistance. Although engagement varied across directorates, in some cases delivery issues were driven by programme-level constraints such as readiness assessments, sequencing, capacity or technical dependencies rather than simple non participation.

The strategic objectives of the Transformation Programme appear to have been weakened by this inconsistent engagement across directorates. Interaction with the transformation team appears to have been uneven, and the development of PwC's work



programme, contractually defined in Statements of Work (SoWs), appears often to have reflected the willingness of individual directorates to participate rather than alignment with the programme’s overarching priorities or areas of greatest savings potential. As a result, it appears activity was frequently shaped by ease of cooperation instead of strategic need, diluting focus and weakening the coherence of the overall transformation effort. A picture emerged during the course of the review that individual SoWs defined by PwC and agreed with the council did not result in consistent or coherent outcomes.

Ref	Lesson Learned	Rating
5.	The governance arrangements for future transformation programmes should be provided with a high-level oversight function in the form of an ‘Organisational Design Authority’. This will sit across the various workstreams, ensuring decisions are strategically consistent, operationally aligned and decisions are evidence led.	Recommended

Although the change programme included active dialogue between the programme and the councils IT service, the review indicated that this link could perhaps be made more robust in future.

Ref	Lesson Learned	Rating
6	Within the proposed Organisational Design Authority, future transformation programmes should formally embed digital, automation and technology leadership within programme governance. This will further ensure that technical feasibility, architectural dependencies, system integration risks and testing requirements are fully understood and appropriately considered in key programme decisions.	Recommended

If the Council wishes to continue its transformation journey, ensuring full organisational engagement will be essential. We suggest that this is best supported through strong visible leadership and effective, consistent communication. There should also be recognition that transformation programmes, by their nature, are multi-year initiatives and can transcend different political administrations. There should be cross party work undertaken to ensure that members across the council are supportive to minimise deliverability risk in the event of changes in political leadership.

Ref	Lesson Learned	Rating
7.	The council should ensure that the future transformation programmes are embraced by the entire organisation, both officers and members, rather than just parts. It is suggested that this is achieved through active and visible senior leadership and effective communication.	Critical



One of the reasons that the council sought out a Transformation Partner was to fill the capacity and capability requirement it knew it had. Although significant change elements were in fact delivered by the council themselves, PwC were able to fulfil these additional needs as it provided high quality resource to the organisation to help support the council's transformation aims. In such cases both the documentation and stakeholder interviews however pointed towards the fact that this led to a perception that more delivery support would be available from the m consultant rather than actively directed by the council.

3.5 Communication and Engagement

We are uncertain as to whether the Transformation Programme benefitted from a comprehensive Communication Plan. The documentation pack provided did not contain such a document, nor was the review team provided with evidence of an individual assigned a communication role within the programme's organisation. During stakeholder interviews, the need for improvements in communications and employee engagement emerged as recurring themes.

The 'two-way' nature of communications during transformation also needs to be taken into account. Instances of where the Transformation Partner facilitated change workshops to which staff could contribute were provided to the review team. However, concerns were raised that insufficient time was given to seeking staff feedback on the end product of these sessions. A recurring view was that solutions offered were often 'far too optimistic' or had not taken on board important points raised by participants.

Clearly the change programme included communication activities undertaken by dedicated resource. Whilst these are undoubtedly useful, they appear not to have been integrated into a comprehensive plan and linked to other activities and dependencies.

Ref	Lesson Learned	Rating
8.	Communication and engagement associated with future transformation programmes could greatly benefit from a comprehensive Communication Plan. The strategic context of the programme, the potential impact on the relative services and the consequences of failing to change need to be spelt out clearly prior to commencement. It should also be recorded how feedback from staff, members and residents will be gathered and managed.	Recommended

PwC were appointed as the Council's 'Transformation Partner', and this appointment communicated widely. However, information obtained during the course of the review suggests the organisation did not receive a clear or consistent definition of what exactly this role entailed. As a result, it is understood staff across the Council were uncertain about the specific responsibilities PwC held and what support or deliverables they should reasonably expect from them. This led to confusion and misaligned expectations.



Ref	Lesson Learned	Rating
9.	The roles and responsibilities of the future transformation partner, project management and the individual services need to be clearly defined and communicated prior to commencement.	Essential

This should include any changes made during the course of the change programme.

3.6 Programme and Commercial Management

As noted above, the review team has not seen or been made aware of a business case for the transformation programme within which an initial project plan and timetable would have been a feature. Our impression is the results of the stakeholder interviews suggest that a decision was taken to bring in a transformation partner who would then, having had a chance to survey the circumstances and apply their own delivery experience, set out a plan which would be adopted by the programme. It appears that several factors ultimately undermined this approach. This resulted in the loss of the co-ordination and control over the delivery process that a project plan is intended to provide.

The first factor is that the cultural readiness to change was over-estimated and that the necessary engagement work was not undertaken to overcome departmental resistance where it arose. This stymied progress and meant that some of the enablers for process change and staff savings could not be implemented either in time or to the extent necessary. It appears that as the financial pressures built within the council, it created an increasingly reactive approach to project management and a subsequent loss of control.

The second factor is that in undertaking the project planning and critical path development, account was not taken of important programme dependencies such as the requirements necessary to ensure successful implementation of the key information technology solutions relied upon by the strategic partner e.g. training and experience of the resident IT support team; interfaces required with in-house systems.

The programme plan that was in play, as seen by the review team, effectively represented a series of projects, which were contractually defined in the SoWs. These were initiated and defined by the transformation partner and presented for approval to and monitoring by the Delivery Governance Group (DGG). The SoWs, again as seen by the review team, were component parts of a transformation programme, but their commissioning and sequencing were not strategically aligned. The SoWs had value in themselves, but it appears they were not moving the programme forward in a way that would achieve the target savings within the timescales required. The direction resembled a pathway of least resistance rather than one that was the most effective.

Given the overwhelming objective of the transformation programme was to generate savings, we have not been able to establish the process that the council relied upon to update the programme for its savings targets and reflect progress in achieving cashable savings into its budget projections. We understand that finance business partners attached to council services were not engaged in the transformation programme in a manner that provided a conduit for such information to be exchanged.



Ref	Lesson Learned	Rating
10	The effective operation of the Finance function should be a critical success factor for future transformation programmes, with the Section 151 Officer, Finance staff and important financial management systems and processes at the heart of the programme.	Essential

Finally, in the same way that there was a lack of a business case to commence the transformation partnership, there appears to have been a lack of documented evidence and insight to support the decision to end the partnership, which then put at risk a significant level of investment made by the council. A value statement was put together retrospectively by the transformation partner to help the programme communicate what had been achieved up until the point the contract was terminated.

It is evident from that and minutes of the final DGG at which the transformation partner was present, that significant work in progress existed which would either need further external support to implement to full potential, or writing off. We have seen no evidence to suggest the options facing the council were properly assessed and it is only now that the implications are being dealt with. Issues with the Amazon Web Services solution have led to its withdrawal, while a full procurement process is undertaken to identify a future contact centre solution, incorporating lessons learned from the AWS project

Ref	Lesson Learned	Rating
11	Future transformation programmes should be provided with a complete, fully integrated project programme. This should be realistic about the time required to achieve transformational change and understand the key dependencies and critical path involved. It should also reflect the extent to which departments can deliver against it and take into account external factors (such as a CQC inspection).	Recommended

The review team has seen documentary evidence that PwC's role as Transformation Partner expanded beyond its original remit of identifying savings, to include more direct involvement in digital transformation, extending into 'solutioneering' and implementation (discussed further in section 3.7). No options appraisal or best-value assessment appears to have been undertaken prior to widening PwC's role into these additional areas. The commercial risks and disadvantages of engaging a single supplier to identify savings opportunities, design the solution, and then implement it do not appear to have been fully considered. Lessons learned 4 & 5 are particularly relevant in this context.



3.7 Capacity and Capability

There are a number of observations with respect to capacity and capability that need highlighting from a lessons learned perspective.

The council procured its transformation partner by conducting a mini competition from a Crown Commercial Services Framework Agreement. Documentary evidence and interviews show the council chose to competitively test and evaluate the market's ability to deliver a relatively small piece of work (c.£200k) which then led to it being committed to the same partner for the much more substantial but untested work at a cost of c.£13m.

For digital led change to be successful, it is important time is given to understanding existing system and process compatibility, the extent of changes required, and the capability and capacity of in-house IT teams to support the change process, and the willingness and readiness of end users to adapt to the changes. Although the council possessed specialist expertise in digital, automation and systems integration its potential to add value was not fully realised. Structured, evidence-based feedback was offered by the IT team across the programme but did not always land due to the lack of an effective feedback route.

The proof of concept and testing process needs to be effective with headroom, in terms of time and finance, to change course if appropriate. During the course of the review, we became aware of several examples that indicated these factors were either not anticipated, appreciated or responded to.

In some cases, it appeared that the council expected the transformation partner to anticipate challenges and fully identify key dependencies. However, this reinforces the importance of having the right experience in place to structure and guide the initial procurement and to provide effective contract management thereafter.

A further factor influencing the adoption of the chosen customer engagement IT package was the rapid pace of development in the AI sector. During implementation and commissioning, alternative solutions, particularly those offered by Microsoft, emerged that were not available at the point of decision when the viable options were far fewer. This has the potential, with hindsight, to cast the original decision in an unfavourable light, despite it being reasonable based on the information available at the time.

Ref	Lesson Learned	Rating
12.	<p>In undertaking future digital transformation programmes, the council should ensure it continues to have the capability and capacity to:</p> <ul style="list-style-type: none">• understand the system technology experience.• be clear on what is required as an intelligent client on behalf of the organisation e.g. ability to challenge and identify unknowns e.g. hidden fees, suitability of proof-of-concept KPIs• understand the adviser market and structure the procurement and partnership in a way that achieves value for money.	Essential



Ref	Lesson Learned	Rating
	<ul style="list-style-type: none"> understand the capacity of departments to engage and that BAU is not a constant e.g. Adults – CQC inspection, Revenue and Benefits – need to improve debt recovery. appreciate the difficult obligations that transformation brings in terms of re-designing processes that result in surplus staff. ensure advisers are software and system agnostic. <p>But also, governance arrangements that ensure there is a clear and effective escalation route from this specialist expertise into formal decision-making (ref. Recommendations 1 and 5).</p>	

The transformation partner’s role in helping the council deliver its savings target was to identify ‘realisable’ savings. This left the council with the task of determining and implementing the process and workforce changes that would release the savings. It appears the Council was unable to do this due to capacity and capability constraints to various extents in terms of technical execution, leadership, culture change and demand pressures within services.

The council should ensure that the key programme team roles are undertaken by council employees, supplemented by specialist consultant support as required. The strategic direction should be explicitly set out and managed by this ‘smart client’ function and the perception that this is a ‘consultant led’ programme avoided.

Ref	Lesson Learned	Rating
13.	The council should ensure that future transformation programmes are led by council officers forming a ‘smart client’ function. This should define the strategic direction of the programme, actively manage the ‘delivery partner’ and provide a visible lead on all communications to the entire organisation.	Essential

3.8 Value for Money and the potential for further transformation.

The review was originally unable to establish a definitive amount for the fees paid to the transformation partner. However, a subsequent document has been shared which sets out the scope of work and the associated cost to the council as circa £13 million which been paid to the transformation partner. We understand this document was used by finance and the PMO to track payments to the delivery partner.

The council believes it has realised one-off savings of c.£5m and recurring savings of c.£20m per annum as a direct result of the transformation partner’s work. There was a consensus across the stakeholders we spoke to that the service reviews had been valuable and provided a basis for generating further savings. However, a substantial amount of the money paid to the transformation partner (c.£7.4m) has been for work on



digitising customer channels and, at the time of drafting this report, it is understood the future of that project is uncertain: it may be brought to an end and re-set.

Hence, it is very much a mixed and uncertain picture in terms of value for money, but it is undoubtedly the case that at this point the programme is perceived to have delivered far less than was intended.

Social value was a key benefit that the council sought to generate from the beginning of PwC's work. It was specifically included as a part of the original tender assessment, attracting up to 10% of the evaluation score. This part of PwC's benefits included a diverse range of support offered by PwC, including work experience opportunities for young NEET residents and direct support to local food banks. Quantifying benefits like this is difficult but needs to be included in some way in how 'Best Value' is defined.

Ref	Lesson Learned	Rating
14.	The on-going assessment of the status of realisable savings identified by PwC should be completed and confirmed by the council i.e. the savings are implemented and accounted for in revenue budgets, or the saving values are agreed as realisable and are either accounted for in revenue budgets but not yet implemented, or are awaiting action to implement and account for in budgets.	Recommended

4 Appendices

Appendix A: List of interviewees

Appendix B: Documentation reviewed

Appendix C: Review Team Members





Appendix A: List of Stakeholder Interviewees

The following individuals were interviewed as a part of this review;

- Service Director, Enabling
- Head of Internal Audit
- Interim Chief Executive
- PMO Manager
- Portfolio Holder for Finance
- Finance Director
- Leader
- Executive Director / Interim Deputy Chief Executive
- Head of Automation and Technology
- Portfolio Manager, Enabling Services / PMO
- PwC representatives
- Ex-Section 151 Officer for the Council
- Ex-Assistant Director for Transformation



Appendix B: Summary of Documentation Reviewed

A comprehensive suite of documents was provided by Shropshire Council as a part of this review. This included project documentation together with a series of supporting documents issued as papers to a series of project meetings.



Appendix C – Review Team Members

Kevin Jones

Kevin brings a diverse background with senior leadership experience across both the private and public sectors. Originally qualifying as an engineer, he began his career in large-scale infrastructure, holding technical, commercial, and leadership roles on complex international projects.

After completing an MBA, he transitioned to the public sector, joining a major metropolitan authority and leading a capital programme exceeding £150 million annually, covering regeneration, transport, and education initiatives. He joined Local Partnerships in 2014 and has supported many public sector bodies across a range of infrastructure sectors including transport, energy, and flood risk management. He is Local Partnerships' lead on assurance.

Martin Forbes

Martin is a Chartered Public Finance Accountant (CIPFA) who spent the first ten years of his career within Big 4 consultancy and corporate finance teams, advising on a range of complex revenue and capital-based projects, involving local authority partnerships within and across the public and private sectors. He joined Local Partnerships in 2009 where he has since worked with local and central government on various policy and delivery challenges that have emerged over the subsequent period. This has included helping places drive efficiencies and capital from their operational estates; supporting HM Treasury and Government departments with PFI savings programmes; providing financial and commercial advice to city region public service reform programmes and devolution deals; working on local economic and business support programmes within the local enterprise partnership sector.

Alongside this work, Martin has worked closely with councils across the country on their proposals for major projects involving renewable energy, housing, transport, and digital infrastructure. He has led our support to Government's Levelling Up Fund bid assessment teams and undertaken reviews at a local and national level of corporate and contractual arrangements underpinning the growth in commercialisation within the local government sector.

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