

Case studies



London Borough
of Hounslow

Commercialisation and social outcomes in Hounslow Parks

**Can LATCOs help in delivering
both in local authorities?**

A case study from the 2019 Public service:
state of transformation report



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The headlines

- Transferring services to a Local Authority Trading Company (LATCo) – the benefits and considerations
- Social returns and commercialisation – can we marry the two?
- Establishing clarity in priorities and taking back control
- Involving the community – co-design and community needs
- An ongoing process of co-production

The Hounslow context

The London Borough of Hounslow has progressed with the transfer of a number of services to a LATCo called Lampton 360. A range of subsidiaries were created for different services, including waste and recycling and parks and open spaces.

This case study explores the journey towards the design of the new services through the delivery of a LATCo and the lessons learnt during the transfer. This transformation process has enabled the council to redefine its priorities and regain control. The transformation journey is still ongoing but has already delivered changes and established a strong system for continued development.

Our story so far

Hounslow's parks and open spaces were managed by Carillion up to January 2017 when Carillion collapsed. The relationship with Carillion was no longer effective because the two organisations'

priorities were diverging. An option appraisal for a new delivery model was at the time in progress and the transfer was accelerated due to Carillion's demise.

The time with Carillion had shed light on the necessary changes for the future shape of the service – in particular the recognition that it was best to step back from the market and focus on maximising social return. Seven options were investigated to meet the needs of the council and deliver transformational impact for the parks and open spaces service. Central to the decision process was looking at the balance of risk. Managing the risk of loss of control was a primary concern of the council and going with a LATCo was the best approach to minimise and manage this risk while keeping the council's views at the forefront.

As part of the transfer three separate working groups were created, one at officer level to guarantee business continuity, one at Member level to maintain buy-in, and one at community level with friends of parks to discuss issues and encourage co-design.

The LATCo created was called Greenspace 360 (GS360), part of the wider Lampton 360 group.

A year on, there has been a full governance and specification review focusing on what GS360 can achieve, the role of the council and the role of the community groups and friends of parks.

This transfer also dovetailed into further reviews within the council, including an enforcement review that created a better integrated approach between GS360, the enforcement team and the commissioning team.

The key challenge of this transfer has been to keep the focus on the social return and social outcomes in line with the commercial focus of the LATCo without compromising the two. The key element is transparency and harnessing the relationship between the LATCo and the council. A common issue in all transformation journeys and their development is balancing the competing priorities of the delivery models and leadership initiatives, with this case being no different. As a result of the change in our relationship with Carillion, the council was forced into making explicit its priorities so there was a greater clarity when establishing the LATCo relationship. The LATCo model has allowed the organisation to work alongside the council's objectives and not contradict them.

Understanding the process of agreeing what goals were to be achieved and why the council wanted to achieve them was originally challenging, but has ultimately proved to be pivotal in keeping the strategy in focus throughout the transformation journey.

The council is now looking at integrating the parks commissioning team into a wider neighbouring team that can form part of a wider public realm offer and deliver much more integrated and comprehensive co-design with the community.

The role of partners

London Borough of Hounslow is responsible for parks and open spaces, working alongside the LATCo to provide the service. This partnership must marry the objectives of profit-making

with the real social outcomes required to deliver what the community needs and demonstrate how the community will benefit.

'Friends' of parks are crucial to keeping the focus on social return. These groups have been an important aspect in ensuring community engagement. Members of the groups have been active throughout the project and look forward to their input continuing to be a part of the development and refinement of the service. Sitting between the council and the LATCo delivery model, the friends of parks provide a unique checks and balance system to deliver social responsibility.

'Forming a Friends group is one of the best ways to see your local area through a different perspective and to meet with near neighbours

Sitting between the council and the LATCo delivery model, the friends of parks provide a unique checks and balance system to deliver social responsibility.

and other local groups with similar aims, whilst achieving something worthwhile. Parks and open spaces are an increasingly precious asset – we need to look after them.' Vanessa Smith, Chair – Friends of Northcote Nature Reserve

'In our view the Friends group model is the most effective means of engaging local people in their open spaces and improving these for the benefit of communities and wildlife. Ideally, we would like to see every open space having its own Friends group, linked together as part of a broader network of positive community action.' Rob Gray, Chair – Friends of River Crane Environment

'As part of the Brent Lea Recreation Ground (BLRG) Friends Group we feel our views can be listened to and that they matter. Our Friends group has been instrumental in creating a voice for the community for the use of the park and because of this, the council has listened and agreed to enhance the space for public use.' Friends of Brent Lea

Third sector charities and other council departments are also important in generating continued engagement for long-term impact. Examples include SMEs that are working with public health in delivering outcomes for vulnerable groups and free activities in parks, small charities that are helping in creating community gardens, and the transport team delivering sustainable transport and physical activity projects in parks.

The work so far has demonstrated that, for transformation to really take place, it is about sharing the journey rather than simply presenting the results. The community and key

stakeholders must be involved, so they better understand their contribution to the transformation and feel encouraged to communicate their views.

What's been the impact of our work?

The analysis required to develop the specification and push forward the transformation of the service has allowed for far leaner services that have generated an efficiency saving of £1.1 million. After a grant savings review the council realised it could deliver the same level of service – with potential for improve – and still deliver savings in the end. Efficient relationships in the council between the operational and commissioning teams enabled the contract to be manageable and ensured that the expenditure was going to be delivered in line with agreed objectives.

There has also been a focus on the returns in line with Hounslow's values and the commissioning team has been shaped with these values in mind.

Identifying clear roles and responsibilities meant there were coherent priorities defined for the delivery of the new operation. This clarity allows for longevity and the continued efficient development of the service.

The key elements of our success

The partners are still building on the model but there have been marked improvements since management was taken over from Carillion namely:

- a specification focused on outcomes;
- the Executive Management Team working better as a team;
- the right balance between expenditure on services;
- friends representative meetings and a memorandum of understanding with the groups;
- establishment of a councillors' working group;
- greater transparency and a higher degree of devolution with better relationships with the community, charities and council departments;
- better facilitation for community interventions; and
- a decrease in inquiries and complaints from the community

And if we were starting again...

The sudden demise of Carillion meant that the transfer was focused more on business continuity and looking at the key operational processes that needed to be maintained rather than the strategic set-up and new roles and responsibilities. A subsequent piece of work had to be done to rebuild the service, with a consequent review of the governance and monitoring mechanisms.

However, the transformation process is still ongoing with continued input from friends of parks and regular meetings with involved partners, allowing for the fine-tuning of the methods to strengthen the balance between commercialisation and social outcomes.

Our key contacts

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Stefania Horne

Stefania Horne has over 18 years' experience in the leisure and culture sector, specialising in parks and open spaces and transformation. She worked very closely with the GLA in developing the East London Green Grid, an infrastructure strategy for green spaces that was then rolled out at regional level across London, and later project managed the operational transfer of Redbridge's leisure services into a trust. Currently Head of Parks and Leisure at the London Borough of Hounslow, she has led the transformation of the council's parks service, including the transfer of the service to Hounslow's own local authority trading company.