EXPLORING THE FUTURE FOR KEY CITIES USING SCENARIOS – SUMMARY

JULY 2020
Using scenarios to explore the future for Key Cities post-Covid

In June 2020 Social Finance co-facilitated along with Blackpool’s Strategy and Delivery team a scenario planning process with representatives of 9 councils in the Key Cities Group.

This process provided participants with the time and space to step back from the operational challenges of the Covid response, take stock of what has changed so far, and explore possible futures for their localities. We used scenarios to then reflect on actions and decisions that councils, both individually and collectively as the Key Cities Group, can take to learn lessons and rebuild positively from the crisis.

This document summarises the discussion and outputs of three scenario planning working sessions and the insights and recommendations that emerged to help continue conversations within the Key Cities Group.

**Approach:**

1. **Map changes and uncertainties within complex local systems**
2. **Create 4 scenarios and a detailed 2-year timeline for one scenario**
3. **Reflect on scenarios’ implications for planning and decisions now**

*Thanks to all the participants from Blackpool, Bradford, Kirklees, Medway, Norwich, Portsmouth, Plymouth, Preston, and Salford councils for their insightful and challenging contributions!*
What is scenario planning and why is it useful now?

A lot has been said and written about the opportunities presented by the Covid-19 crisis to learn lessons, leave old paradigms and ways of working behind, and establish ‘new normals’.

But the immediate challenges posed by Covid for local government leaves little time and headspace. The current state of continual change and ongoing uncertainty can make strategic planning for the future seem overwhelming.

“We are still stuck in the response and may be for some time; this is a space for forward looking, the recovery”

Scenario planning is an established approach that provides teams with a space and structure to engage with future uncertainty in a manageable, meaningful way.

Social Finance has created an engaging scenario planning process to help councils think long-term about the changes they want to make adapt to an uncertain future, and to understand what proactive action can shape localities for the better.

“My strategy team is now totally focused on operational delivery; we have no time to think about the future.”
Project Question

*How can Key City councils build resilient local economies to withstand future shocks, while supporting those most affected by the Covid-19 crisis and recession?*
Summary findings from the scenario planning process
What’s changed and what’s still most uncertain?

Participants shared experiences of what had changed across services, community needs, internal ways of working, the local economy, and city centres; and what remained uncertain to develop a collective understanding of complex local systems.

What’s changed?

- **Community need**: moving services online has worked well, but has exposed ‘digital divide’ issues (older people, homeless).
- **Ways of working**: the way teams have rapidly deployed new services and devolved decision-making to the frontline has been a real positive.
- **Relationship with partners**: forged new relationships with businesses, community organisations and volunteers. However the relationship with central government is increasingly strained (e.g. little notice of new responsibilities and lack of funding promised).
- **Local economy**: the crisis has led to greater appreciation of local supply chains and of the value of occupations traditionally viewed as ‘low skilled’ (e.g. key workers, care, logistics, supermarkets), and interest in how to enable a ‘green’ economic recovery at local level.
- **City centres**: reduction in footfall due to fragile retail sector and increased working from home one of the few certainties.

What’s still uncertain?

- **Unemployment**: job losses and a recession are likely, but there is uncertainty about sectors and local impacts; supporting low-paid, disadvantaged and young people is likely to be prioritised locally.
- **Council capacity**: appetite within councils to learn lessons and change following the pandemic, however teams risk burnout and immediate operational challenges will continue for some time.
- **Economic models**: participants were keen to reconsider new economic paradigms (e.g. people centred and sustainable growth); some signals from devolved regions and central government of a ‘green’ recovery (e.g. home insulation programme). But there is also great pressure from residents and politicians to quickly help existing business & economic sectors get back on their feet.
- **People**: the impact of the pandemic on residents’ attitudes and preferences is unclear, as is what local people and partners want or expect from councils in future.
What could the future look like for Key Cities? 4 plausible scenarios

- **Falling leaves**: There is a strong drive from central government to restart the economy and "return to normal". Councils focus on delivering core services and new Covid responsibilities well, rather than continuing with their current expanded role. Funding gaps further limit their capacity to act as local change agents.

- **Static Trunk**: Councils increasingly lead on economic and social recovery, and manage the local public realm to balance risk, economic activity and support local industry. Councils reboot the economy based on pre-crisis economic paradigms, which is effective, but opportunities are missed for working in new ways with businesses and communities.

- **Spreading Roots**: Councils are at the centre of a shift in how we think about the economy: a greater focus on sustainability, wellbeing, and as a force to create a more equal society. They build on relationships established through the pandemic to revitalise local democracy and actively reimagine local spaces and livelihoods with communities.

- **Swaying branches**: Large national programmes announced, with a focus on employment, green growth, infrastructure and housebuilding. Councils seen as the service delivery arm of the recovery with little scope to shape local policy and strategy. Hyper-local economies emerge and Councils take targeted risks and become more agile to develop local initiatives.
Participants selected the **Spreading Roots** scenario. While it was judged most desirable it may not be the most likely. They then identified key events and decision points, then reflected on the actions and plans to enable that scenario.*

### One detailed scenario timeline – ‘Spreading Roots’

<table>
<thead>
<tr>
<th>3 months</th>
<th>6 months</th>
<th>12 months</th>
<th>24 months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local democracy</strong></td>
<td>• Local political commitment that out of adversity should come a better society and economy</td>
<td>• 2021/22 budget setting</td>
<td>• Mayoral and other local elections</td>
</tr>
<tr>
<td><strong>City centres</strong></td>
<td>• Last of lockdown industries and public transport re-open</td>
<td>• Public consultations on repurposing public spaces</td>
<td>• National reviews of housing and town centres published, and the future of city centres is the major local political issue</td>
</tr>
<tr>
<td><strong>Sustainability / green growth</strong></td>
<td>• Continued gradual reduction in social distancing</td>
<td>• Support for social enterprise to utilise vacant office space</td>
<td>• Think tanks and government publish guidance on how to value and appraise green / wellbeing economic projects</td>
</tr>
<tr>
<td><strong>People and services</strong></td>
<td>• Central government work programmes / job creation schemes announced</td>
<td>• Spending Review commits to an economic Green Recovery</td>
<td>• Revised local economic plans published</td>
</tr>
<tr>
<td><strong>Digital and ways of working</strong></td>
<td>• Key Cities collaborate to understand changed social and economic needs of citizens</td>
<td>• Local government continues civic engagement, neighbourhood level support and enables volunteering</td>
<td>• Government and think tanks publish new requirements to promote societal BAME equality</td>
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<td></td>
<td>• Councils permanently move some services online</td>
<td>• Central funding to digital transformation (e.g. Local Digital)</td>
<td>• Some technology solutions for adult social care achieve significant national scale</td>
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</tbody>
</table>

*The detailed notes and output from this session are in the Appendix.*
Insights and recommendations for the Key Cities Group
### Emerging insights and themes (1/3)

#### a. Sustaining ‘community resilience and cohesion’

Community organisations, volunteers, new mutual aid groups, local businesses and others have played an unprecedented role in the crisis response. The working relationship with councils has also been more equal, with councils facilitating and coordinating community networks not seeking to control. All participants wanted to sustain this new way of working, for instance enabling new community-based models of care for adults with lower levels of need. It's as yet unclear though what infrastructure and council/relationships is needed to do this.

“We’re not going to wade in any more and try to control” [strategy officer]

#### b. Local and central government disconnect

All the session participants (mainly strategy, policy and transformation officers) want councils to be active agents for positive change and transformation in the Key Cities areas.

But capacity is seriously constrained, and central government’s command-and-control approach to various aspects of the crisis response has bypassed local government’s skills and networks and has hampered its ability to act effectively (e.g. very limited notice about new delivery responsibilities or social distancing guidelines). The Compensation for council funding committed as part of the early Covid response also a source of distrust and fraying goodwill.

“There’s a risk of growing disconnect between what central government think we can and should be doing, and what we think ourselves” [policy officer]
Emerging insights and themes (2/3)

c. **Headspace for change during the ‘in-between’ phase**

There is great appetite within councils to use the crisis to re-think traditional ways of working, services, economic paradigms and beyond. However, the sessions highlighted that the way council teams are working now – characterised by moving from one operational challenge to the next and juggling multiple priorities – will last longer than initially thought, maybe 12 months or more. And while there has been a great sense of camaraderie and shared purpose during the crisis response, officers have been working flat and there is a risk of burnout.

In this environment, there is little scope for large-scale, corporate transformation programmes. Councils may have to prioritise the small number of most important things they want to change as a result of the crisis.

“We are trying to do things differently and be more strategic but its still all operational and quick fixes at the moment.” [strategy manager]

d. **New decision-making tools**

Over the coming months and years, many Key Cities in particular will face decisions about the public realm, particularly if footfall drops. How should spaces be used? And how should council decide between different options? One participant gave the example of car parks, which might be less necessary in future. How does the council balance the value of the car park in terms of transport infrastructure, retail economy and council income, against its potential value as a new meeting or green space? New skills and tools are required.

“We’re faced with decisions about whether to attempt radical change or go back to usual. We’ve never had a framework to discuss this before.” [policy officer]
### Appetite for risk during the recovery

Members of the Key Cities Network will need to develop a nuanced understanding of the level of political, delivery and financial risk they are prepared to take as they plan for the recovery. There will be tough choices about spending and significant local needs which it may not be possible to meet. Authorities will need to think creatively, make bold investments, establish new income generating ventures, scale back some services, stop some services, reimagine others including working with new delivery partners including the community to provide them.

“There is growing pressure from members to return the way things were” [strategy lead]
Recommendations for the Key Cities Group (1/2)

I. Joint intelligence gathering and planning

Members of the Key Cities Group should collaborate to develop a strong evidence base combining quantitative and qualitative inputs (e.g. community dialogue) to assess the impacts of Covid on residents and the local economy to understand emerging and future needs. Every city will be doing this at the same time, so it makes sense to share both approaches and findings. For example:

• An evidenced understanding of the local health impacts of Covid, the secondary effects on mental health, wellbeing, family and community cohesion, and the potential pent up demand for health, social and other services over the next 3-24 months

• An evidenced understanding of economic and household financial impacts, in particular the implications for low earners, BAME communities, younger adults, single working mothers, those on insecure employment terms, and those in sectors most affected by the lock-down / downturn

• Ideally this is not a one-off process and can be iterated and updated over time as a light touch ‘horizon scanning’ process as more information becomes available so that recovery plans can be refined. The evidence can also be collated at a Group level and used to influence government
Recommendations for the Key Cities Group (2/2)

2. Lead on ‘green’ and ‘wellbeing’ economic recovery

A group of 24 Mayors and local leaders representing 25 million people in England have also established a Resilient Recovery Taskforce calling on the Chancellor to commit to a ‘New Deal for Green Skills and Growth’.

The Key Cities can be at the forefront of re-thinking how local economies can become more sustainable and promote wellbeing for local people. One practical opportunity for the Group is to commission research into integrating measures of sustainability and wellbeing into our current standard economic indicators, to ensure these issues are part of conversations about local growth.

3. Develop approaches for rejuvenating city centres

One of the relative certainties that emerged from this process is that people will work more from home. This could affect city centres in different ways, from less traffic during the week, to a more fragile retail sector, to the development of a ‘café culture’, and greater use of parks. High streets will need different service offer to attract residents and create a sense of community.

The Key Cities could provide members with a ‘playbook’ for adapting physical spaces and assets to meet changing citizen attitudes and needs, for instance including outline business cases and funding and financing options. Several possible use cases were mentioned during the working sessions: converting city centre car parks to actual parks; enabling social enterprises to occupy vacant office space; re-purposing large shopping centres; and pedestrianizing roads.

*There are guides from the UK and abroad: the ONS publishes statistics for economic wellbeing, though this isn’t broken down at a local level; the Future Generations Commissioner in Wales and New Zealand Government include wellbeing measures within national budgeting processes; and Scotland, Iceland and New Zealand form the WEGo initiative.
Who we are

The Key Cities are a group of councils of mid-sized cities, which share similar strengths and similar challenges, addressed through the four priorities of our Manifesto for Growth.

Together as the Key Cities Group we share our knowledge and develop common solutions. We act as a unified voice and alliance of shared interests to promote our economic interests to central government.

Social Finance is not-for-profit social change incubator. We work in partnership with governments, funders and the social sector to tackle entrenched social problems in the UK and internationally.

We have mobilised over £500m to support social and economic impact projects.
Appendix – detailed outputs from the working sessions
What’s changed – positive changes

<table>
<thead>
<tr>
<th>Community Needs</th>
<th>Ways of working</th>
<th>Services</th>
<th>Relationships with partners</th>
<th>Local economy</th>
<th>Town centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>asset transfer</td>
<td>GPs and other services now online</td>
<td>Rapid redeployment and re-purposing to build new services e.g. community hub</td>
<td>new relationships with mutual and groups</td>
<td>focus on local supply chains - potential to focus on vertical integration</td>
<td>repurposing - different uses</td>
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<td>social enterprise/coop development</td>
<td>cross-council collaboration improved (moody)</td>
<td>rapid redeployment and re-purposing to build new services e.g. community hub</td>
<td>better business engagement</td>
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<td>employment support</td>
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<td>community engagement</td>
<td>digital inclusion and infrastructure</td>
<td>new relationships with mutual and groups</td>
<td>rebuilding value of pre-existing relationships e.g. Norwich 2040</td>
<td>local resourcing</td>
<td>increased collaboration with neighbouring districts (positive and negative)</td>
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<td>volunteering sector helping people get online</td>
<td>increased cycling and walking trips being made locally</td>
<td>rebuilding value of pre-existing relationships e.g. Norwich 2040</td>
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What’s changed – neutral and negative changes

**Community**
- Need to understand the impact of technological and social changes on local economies.
- Greater reliance on tech excludes some groups.
- Reduced public transport affects young people.
- Evidence and FBM has highlighted inherent structural racism, injustice, inequality, etc.

**Needs**
- Greater reliance on tech excludes some groups.
- Reduced public transport affects young people.
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**Ways of working**
- Staff fatigue.
- Risk to social enterprises’ businesses around lack of digital expertise.
- Greater reliance on tech excludes some groups.
- Reduced public transport affects young people.
- Evidence and FBM has highlighted inherent structural racism, injustice, inequality, etc.

**Services**
- Lack of local engagement from central government.
- Potential to drive sustainable improvements.
- LA and local civic “bankruptcy”, prospective “devo” of charities, firms and LAs?
- Risk to social enterprises’ businesses around lack of digital expertise.
- Greater reliance on tech excludes some groups.
- Reduced public transport affects young people.
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**Relationships with partners**
- Some duplication / unilateral approaches.
- LA and local civic “bankruptcy”, prospective “devo” of charities, firms and LAs?
- Risk to social enterprises’ businesses around lack of digital expertise.
- Greater reliance on tech excludes some groups.
- Reduced public transport affects young people.
- Evidence and FBM has highlighted inherent structural racism, injustice, inequality, etc.

**Local economy**
- Tourism – urban versus rural?
- Local dimension to online shopping?
- Huge decrease in city centre footfall.
- Local economy in online retail.
- Boom in online retail.

**Town centres**
- Boarded up shops, pubs and charity shops.
- Increased visibility of drug dealing and taking.
- Cultural sector disappeared.
- Risk to women not adequately considered by central grant in ending isolation.
- Double whammy of business rates and commercial rents disappearance.
- Existing structural issues in retail sector have been amplified by move online.

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Major uncertainties

- **Uncertainties**
  - Local versus central relationship: hollowed out service delivery, or agile problem solvers?
  - Position and role of local democracy and local elected members and/or major policy proposers and/or of the personal, political and professional culture.
  - Appetite for change to build a sustainable economy?
    - How much can we keep doing same as before with more urgency vs. radical transformation?
    - Will we learn from covid and better prepare for climate and other shocks?
    - How likely is green recovery to reignite the economy to rely less on resource over-exploitation?
  - Future of economies/city centres in world of home working and social distancing?
    - How the city centre survives in anything like the pre-crisis form with mass home working and ongoing social distancing?
    - What is the role of city centre in the future economy?
    - Section 151 - can LAs balance the books this year?
    - What is the future for high streets?
    - Will city centre survive in anything like the pre-crisis form with mass home working and ongoing social distancing?
    - What is the role of city centre in the future economy?
    - foundational economy jobs: if these go or work from home, what is the future of local places?
    - How will the city change in world of home working and fewer group gatherings?
    - Will the economy become more people-centred, inclusive Health, inequality?
    - Analysis of people-place sector impacts?
    - Will people be left behind (digital exclusion, labour market exclusion etc.) or will the new economy increase participation?
<table>
<thead>
<tr>
<th>Local Democracy</th>
<th>City Centres</th>
<th>Sustainability and green growth</th>
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<tbody>
<tr>
<td><strong>3 months</strong></td>
<td></td>
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<tr>
<td>All parties agree that out of adversity should come a better society.</td>
<td>Last out of lockdown industries have particular prominence in city centres.</td>
<td>LGA SDGs guidance released June 2020 – take up locally.</td>
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<tr>
<td><strong>6 months</strong></td>
<td></td>
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<tr>
<td>Devo Bill?</td>
<td>End of social distancing will have a major impact on High Streets</td>
<td>“Shovel ready green recovery” schemes /portfolio</td>
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<tr>
<td>Significant moves towards more government reorganisation / cuts driven by cost pressure.</td>
<td>Locally focused spending campaigns</td>
<td>Use Key Cities to ensure wider climate change actions take place alongside central growth initiatives - demonstrate how to do it well</td>
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<tr>
<td><strong>12 months</strong></td>
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<tr>
<td>Significant budget setting</td>
<td>Significant investment in repurposing empty retail and office space</td>
<td>Central job creation schemes announced</td>
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<tr>
<td>Mayoral elections</td>
<td>Consultations on repurposing spaces</td>
<td>Sustained volunteer involvement and development</td>
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<tr>
<td><strong>24 months</strong></td>
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<tr>
<td>Next local elections...?</td>
<td>Consultations on repurposing empty retail and office space</td>
<td>Frame actions within a longer time period - not just 3 year plans</td>
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<tr>
<td>Significant budgets are controlled through participative budgeting</td>
<td>Understanding of how municipal finance works for office accommodation collapse? Change? Growth &amp; City Plan</td>
<td>LG and COP26</td>
</tr>
<tr>
<td>More open space, café culture, blended with neighbourhood modes of living</td>
<td>Financial viability of this model?</td>
<td>Well-being economy?</td>
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<tr>
<td>Policies of repurposing can be tricky</td>
<td>Launch of nationally-led employment initiatives – less focus on those more distant from work?</td>
<td>Rewriting of the terms and conditions of employment</td>
</tr>
<tr>
<td>Deep adaptation gap and route to 2030</td>
<td>LG and COP26</td>
<td>Miss CO2 reduction - climate warming inevitable</td>
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Scenario Timeline - key events and decision points
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<table>
<thead>
<tr>
<th>New grid</th>
<th>3 months</th>
<th>6 months</th>
<th>12 months</th>
<th>24 months</th>
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</thead>
<tbody>
<tr>
<td><strong>People and services</strong></td>
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<tr>
<td>Many people need to find temporary employment post-furlough</td>
<td>Analysis of local needs and Covid impacts</td>
<td>Mental health and self-esteem have fallen, but people are finding different ways of finding support</td>
<td>First round of budget decisions re-maintenance of statutory services</td>
<td>People can find very local support for a range of issues, they can also contribute to their communities in return</td>
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<td></td>
<td></td>
<td>Operating model and business model shifts with civic society</td>
<td>CCC national adaptation guidance 2021</td>
<td>Local gov required to reform SMEs in services, and lead local agenda</td>
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<td>Regional alignment to local government &amp; health</td>
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**Technology/ new ways of working**

<table>
<thead>
<tr>
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<tr>
<td>Increased working at home; Online collaboration</td>
<td>Impact of QDS and MHLG Local Digital, with cloud developments revises each LA ???</td>
<td>Business decisions re: future use / repurposing of office space</td>
<td>People are more used to digitally accessing and managing their own electronic records</td>
<td>Internet as a human right</td>
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<tr>
<td>More home working in LA and business become the norm</td>
<td>Emerging new platforms and civic resources eg Local Moon, Power to Change, NTF etc</td>
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<tr>
<td>Local businesses and VCSEs</td>
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<tr>
<td>Commissioning via local VCSE</td>
<td>Funding for local VCSE to prevent going bust</td>
<td>Regional collaboration pump primes employment opportunities for groups most affected.</td>
<td>Business rates and relief scheme redesign</td>
<td>Examples of mutual aid, mutual credit and regionalised supply chains</td>
</tr>
<tr>
<td>Assessing the impact of LA discretionary grants</td>
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