



Workforce, culture and leadership for future local government

Introduction

The [Independent Working Group on Sustainable Local Government for the Future](#)

has been established to provide a vision for sustainable and purpose-driven local government (LG) in Wales. Given that local authorities are facing severe service delivery pressures and the on-going challenge of 'doing more with less' and given challenges around workforce and organisational leadership for change, there is a need to consider how these issues intersect.

Within this context, findings from the interviews conducted by the Wales Centre for Public Policy with key local government stakeholders and experts highlight the need to focus on three interlinked enablers of sustainable transformation: workforce, culture and leadership.

Workforce capability is at the heart of reform delivery. Local authorities need employees that embrace digital tools, are able to collaborate across services and organisations and can adapt to emerging challenges.

Culture within an organisation (structures, processes and norms) shape whether employees can flourish in an environment that fosters continuous learning and experimentation.

Leadership is critical given that transformation requires system leaders who can work across organisational and sector boundaries to influence and inspire collective action.

Thus, this briefing note aims to examine some of the evidence across these three areas and to identify opportunities for improvement and reform in Wales. It offers a high level, brief picture of the evidence available, rather than an extensive systematic overview of it. We acknowledge that these are complex topic areas, and that contextualisation and further input from experts will be needed to arrive at specific recommendations for Welsh local authorities.

Workforce

In the last decade there have been over half a million council job cuts across England and Wales (GMB Union, 2025). In Wales specifically, the local government headcount has dropped by 19% highlighting the capacity pressures that public services had already been facing prior to the pandemic ([Audit Wales, 2023](#)). Staff reductions have exacerbated existing gaps in expertise and specialist skills within councils (e.g. design, infrastructure).

Compounding these challenges, there is competition for skilled staff between councils across the UK and with the private sector. A workforce survey conducted by the Local Government Association (LGA) found that 94% of councils in England are facing issues with staff recruitment and retention, with 80% of them having issues retaining social workers across both child and adult services (Local Government Association, 2024). In Wales, a survey of the social care workforce highlighted that about one quarter of respondents have the intention of

leaving their roles within the next year; with lack of career development, poor working conditions and low pay being some key driving factors ([Social Care Wales, 2024](#)).

This might not be particularly surprising given the discrepancy between the national workforce average gross full-time salary (£37,000) and council staff salaries (£34,000) in England (Local Government Association, 2024), which can make it even harder to attract and retain staff in the long-term.

But pay alone is insufficient to address morale or wider systemic issues within the public sector workforce. Recent analysis by the Institute for Government (Keenan and Hoddinott, 2025) found that while independent pay review bodies recommend above-inflation pay awards across a wide range of public sector groups, these alone are not deemed to be enough to 'resolve longstanding issues' of public sector recruitment and retention. They note, for instance, that within the civil service, structural barriers to career progression have contributed to churn and grade inflation; junior staff sometimes earning more than senior colleagues as a coherent pay strategy and framework is lacking (Keenan and Hoddinott, 2025). This highlights the need for broader structural reform across public services to regain the trust of and stability in the LG workforce.

With increased demand for statutory services, the LG workforce also appears to be struggling with capacity and potential burnout. A third of councils in England report sickness absences due to stress, fatigue and mental health related issues (Local Government Association, 2024). Low morale and motivation can cause staff retention issues, with 40% of managers and leaders in LG across the UK reporting that senior leadership in their authorities failed to motivate staff (Hyde and O'Regan, 2024). Only 67% of leaders and managers in LG believe that senior leadership in their organisation is effective and only 44% think that there is adequate accountability for failure (Hyde and O'Regan, 2024). This has serious implications

for the LG workforce, as problems at a senior level appear to have significant downstream effects on morale and performance. Strategic workforce planning is thus essential to address the workforce issues faced by the Welsh LG workforce and could offer councils a structure to address and anticipate skill shortages. Such plans could also identify where new skills are needed, whether to support the processes of transformation, to respond to changes in the external environment, or to sustain a new approach to delivering services.

Some workforce challenges may be best addressed collectively. For example, two local authorities in England overcame difficulties in recruiting planning officers through redesigning job roles and splitting tasks that need to be delivered locally from those that could be delivered remotely (LGIU, 2022). Such examples show that collaboration could improve recruitment issues and enable service delivery across regions.

Culture

One strand to the public service transformation agenda is the decentralisation and integration of local services to meet the bespoke needs of service users (The Chartered Institute of Personnel and Development, 2012). This underpins a vision for transformation whereby service providers work collaboratively for integrated service delivery, and communities are enabled to do more for themselves and be more self-reliant.

Some findings from a systematic review suggest that risk management, leadership and public participation are key factors to consider in public service transformation initiatives (Enang et al. 2020). Additionally, the review highlights that employees' teamwork skills and readiness to facilitate transformative change are crucial for delivering these initiatives. This points to the broader issue of organisational culture. 79% of government leaders acknowledge the need for organisational culture reform to enable digital

transformation (Bertrand, Bakshi and McQueen, 2022). While £26 billion are being spent annually on digital initiatives these are still not delivering as intended, with public satisfaction remaining low (Department for Science, Innovation and Technology, 2025)

Enabling a culture of innovation

Insights from interviews conducted with government innovators in the UK point to several factors that can enable culture innovation and community engagement (Birchall, 2023):

- **Safe experimentation encourages innovation** – acknowledging that a ‘move fast, break things’ approach can be balanced with risk management in sensitive areas.
- **Prioritising agility over perfection** – delivering ‘good enough’ services to speed up transformation.
- **Challenging the status quo** – value in questioning established processes and having senior backing, ‘freedom to fail’ and agile procurement processes.
- **Empowering employees and co-creating solutions with citizens** – creating innovation ambassador roles for motivated employees and active engagement and recognition of residents’ needs.

These examples highlight the benefits of embracing agile delivery, leadership support and removing institutional barriers. On top of that, they align with the views of the Cabinet Office in terms of what constitutes a ‘modern civil service’ and their suggestions for embedding an innovative culture (Cabinet Office, 2024). However, to truly embed innovation, they argue that the right infrastructure and processes need to be in place. These include streamlining bureaucratic business case processes, formalising the use of pilot tests before scaling, promoting schemes to evaluate staff ideas and rewarding innovative behaviour. Having a clear

pathway/process of accountability would support the successful implementation of these approaches.

Operationalising innovation

Examples from central government show how innovation can be embedded at the operational level (Baugh, 2023):

- **‘Project Spark’ – a Dragon’s Den style in-house competition** to encourage employees to submit ideas that will aid their development, aiming to contribute to embedding a culture of safe experimentation.
- **Piloting innovation projects** within existing marketing campaigns.
- **Identifying external ideas** (i.e. from private/third sector) that could be implemented within public services.
- **Having ‘test and learn’ guidelines** to rigorously test the effectiveness of new ideas.
- **Scaling up innovative initiatives** through an online portal that facilitates networking and outreach to others in the field to share ideas and ask for help.
- **Using an ethical decision-making framework** to help leaders decide whether to adopt a new technology.

Innovation capability within the public sector often relies on creating the right internal conditions (placing frontline staff and service users at its core) and participating in an ‘innovation ecosystem’ that includes think tanks, academia and market stakeholders (Beard, 2023).

Leadership

Leadership is important in improving outcomes and productivity across public services (Public Services Leadership Taskforce, 2018). There is an increasingly urgent need for sustained transformation in service delivery and achieving

this depends on effective and sustained leadership (Audit Scotland, 2024). Having a clear strategic leadership approach and an effective oversight and collaboration by elected councillors can be key to address the current sustainability issues faced by LG (Audit Wales, 2024).

In terms of effective leadership in the public service, researchers at the University of Birmingham identified three main characteristics of a 21st century public servant:

- Working with complexity and whole system thinking;
- Developing and appreciating new ways of working; and
- Thriving in a new environment (i.e. being data curious and digitally comfortable) (Needham et al., 2024).

These findings echo previous research conducted by the Wales Centre for Public Policy on developing leaders in the public sector (Price et al., 2020). For instance, insights from senior leaders across a wide range of public services in Wales highlight a shift towards behaviour-based leadership models (i.e. focusing on habits and attributes) rather than solely relying on traditional leadership training (such as skill-based and managerial competencies). Stakeholders also highlighted the need to occupy leadership roles on more than just the basis of length of service. To improve leadership and management recruitment in LG, the workforce strategy should also acknowledge the depth of relevant experience that people can bring from the private sector (Hyde and O'Regan, 2024).

Senior leadership development activities can face behaviour change barriers, including organisational receptiveness as well as the wider context and stakeholders (Edwards et al., 2021). Addressing these barriers could help enable more effective leadership training initiatives. Some recommendations based on the rapid evidence assessment conducted by Ipsos MORI include:

- Providing access to networks of peers that act as a source of support and information to foster innovative behaviours;
- Having 'time out' from the day job to give leaders the time to reflect and think more strategically about the wider context; and
- Formalising cross system networks to enable a more stable collaborative partnership to address systemic issues (Edwards et al., 2021).

Earlier this year, the Department for Science, Innovation and Technology (2025) identified a set of priorities to enable the public sector to achieve digital reform, including harnessing the benefits of AI for the public good, improving digital and public data infrastructure, investing in leadership talent and committing to transparency and accountability across the sector.

Leadership is a key factor in creating and sustaining innovative cultures. Senior leaders' ability to create a strategic narrative that articulates a core purpose, while involving employees in this process to secure buy-in is key (The Chartered Institute of Personnel and Development, 2012). In turn, leaders and managers also play a crucial role in enabling cultural change. Research conducted for the National Leadership Centre highlights the importance of becoming 'ambidextrous learning organisations' to enable effective collaboration through facilitative leadership, whereby leaders act as catalysts, mediators and stewards (King and Wilson, 2020).

Particularly relevant to the role of leadership in an increasingly 'digitalized world', literature review findings show that leaders are key in developing a digital culture within their organisations – needing to forge relationships with stakeholders from a wide range of industries and prioritising the enabling of collaborative processes while addressing ethical concerns that might arise as well (Cortellazzo, Bruni and Zampieri, 2019).

Pertaining to leadership, it is also important to consider a leader's style. Research suggests that a transformational leadership approach can be effective in addressing challenging administrative practices (Mansaray, 2019) and in creating an effective organisational culture (Streimikiene et al., 2021). Some characteristics of this leadership style include:

- Ability to work out the needs of people and create ways to address them;
- Taking full advantage of human resources while identifying and developing new talent; and
- Striking a balance between meeting the organisation's long-term goals and maintaining human values and principles.

Conclusions

While the breadth and depth of data from Welsh local government on these topics is more limited (compared to other UK nations), this review highlights key themes drawn from the wider literature, which can inform the Welsh context. From a high-level overview of the academic literature and experts' opinions/stakeholders' insights, three main themes emerge:

- **Workforce capacity and capability** are under chronic pressure, with recruitment, retention, and morale issues linked not only to pay issues but also to workload, career progression, and organisational support shortcomings.
- **Organisational culture** underpins the success of reform initiatives; the implementation of safe experimentation and citizen co-creation appear to be helpful in embedding change, but only in the presence of clear strategic direction from senior leadership.
- **Leadership** can be a key enabler of transformation, but this requires a shift towards behaviour-based models, cross-sector collaboration, and the creation of peer networks that foster a culture of innovation.

There is scope to draw on these lessons and contextualise them to Welsh local authorities to support the leadership to create conditions to facilitate culture change within authorities. Ultimately, these adjustments could have a positive impact on the local government workforce and contribute to the ability of councils to more sustainably respond to rising service demands.

Ioana Filipaş
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About the Independent working group on sustainable local government for the future

The independent working group on sustainable local government for the future was established by the Wales Centre for Public Policy, in collaboration with the Welsh Local Government Association.

The group will consider challenges and opportunities across local government's remit

and develop a clear vision and proposals for purpose-driven and sustainable local government.

Made up of council leaders, chief executives, and independent experts, the group is chaired by Professor Steve Martin and will report its findings ahead of the 2026 Senedd election.

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Here at the Centre, we collaborate with leading policy experts to provide ministers, the civil service and Welsh public services with high quality evidence and independent advice that helps them to improve policy decisions and outcomes.

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For further information contact:

Jack Price

+44 (0)29 2087 5345

jack.price@wcpp.org.uk

Wales Centre for Public Policy

Cardiff University, Sbarc/Spark, Maindy Road, Cardiff CF24 4HQ



www.wcpp.org.uk



029 2087 5345



info@wcpp.org.uk



@WCfPP

