DELIVERING DIFFERENTLY

Supporting pioneers in local government

23 January 2014
Welcome to PA’s offices! To ensure your visit is safe and productive:

**Housekeeping**

- Have you registered? Please do so – we need to know who is visiting
- Fire alarms, none are planned – any alarms will be real, please follow host’s instructions for exit and assembly
- Lunch is provided – tell us if you have any allergies
- Smoking breaks - can be taken outside the building away from the main walkway and canopy
- Wear your pass and name badge at all times
- You will need your “V” pass to exit the building

**Etiquette**

- Please switch mobile phones and other devices to silent whilst speakers are in session
- The adjacent room is available for urgent calls
- Please ask reception if you require a wi-fi code or have any other enquiries we can help you with
Agenda for today

11:30 Welcome, introductions and scene setting
12:00 The Changing Role of Local Authorities
12:30 Understanding the Delivery Model Landscape – context and challenge
13:00 Lunch
13:45 Understanding the Delivery Model Landscape – from the horses mouth
15:00 Delivering Differently Challenge – process and next steps
15:30 Q&A
16:00 Close
THE CHANGING ROLE OF LOCAL AUTHORITIES
The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday’s logic.

Peter Drucker
The changing role of local authorities

Leaving aside the rather important challenge of delivering services in a period of austerity, what are the main themes coming from LA stakeholders?

• Customers more discerning and demanding
• Public partners getting more direct funding
• Community bodies more access to funding
• Suppliers sharper and less hungry

However, in these challenging times, the diverse role of a LA may work with / against it depending on its attitude and approach. In the past LG has expanded to do everything asked of it but reducing budgets (re-organisation by the back door) and reform (social care and health being forced to pool budgets) is making it make tough choices

So, is traditional thinking closing off some of the choices that need to be made based on a need to retain accountability and direct responsibility?

If so, does ‘newer’ thinking adequately recognise that stakeholders have a major part to play:

• Housing getting cash need to be involved in community and social capital building
• Business rates retention mean business needs a voice in what infrastructure is needed and priority of where
• Customers want a say in services that affect them most – care and community
• Suppliers deserve a say in payment by results – why share the pain unless you share the objectives
‘What is the future of the relationship between the citizen and local government?’...
‘How do we create opportunity…in a time of economic stagnation and public service cuts?’…
The practical choices – what’s the appetite and readiness for change?

1. What do we do now?

2. What will we do in the future and who with?

3. What will we stop?

4. What will we keep?

5. What will be new?

6. What activities do we not do (and would never do)?

Decisions should be guided by what users value, or need (not demand or have had before)

Tough choices have been made within organisations. Is it time for tough choices about organisations - why are we here and what is the ask of local public services?

Making the choice
Horizons to explore (1): an ‘inside out’ view of capability

- Important to you - Low competence or new skills required
  - Requires investment to contribute to value proposition
  - Possibility for in-sourced skills and capability/capacity building
  - Not central to value proposition
  - Natural candidates to divest through external sourcing (e.g. outsourcing or shared services)

- Important to you / Good competence - Have necessary skills
  - Central to value proposition
  - Candidate for retention. Potential to trade, arms length etc. Retain ownership but create freedoms
  - Not central to value proposition
  - Possible candidates to bundle with other services/JVs and manage return

- Not critical to you - Low competence or New skills required
  - Requires investment to contribute to value proposition

- Not critical to you / Good competence - Have necessary skills
  - Aim to empty this box
Horizons to explore (2): an ‘outside in’ view of user / market capability

Through provision of funds and information we will enable people to help themselves
“Facilitate buying from/provision by others”

What sort of relationship do you want with your customers?

Enabling people to create their own solutions

We will provide what we do best

We have proven our services to be the most cost effective, efficient and responsive in the open market
“Makes sense to buy / provide our services”

Others are proven to do better

The Council

Where do you see you current / future services fitting within this delivery landscape?

We will keep council taxes low by ensuring that we commission others to deliver where they provide demonstrably better services
“Recommend using others”
“Individual commitment to a group effort – that is what makes a team work, a company work, a society work, a civilization work

Vince Lombardi, American football coach
UNDERSTANDING DELIVERY MODELS (1)
The only thing of real importance that leaders do is to create and manage culture. If you do not manage culture, it manages you, and you may not even be aware of the extent to which this is happening.

Edgar Schien, Professor, MIT Sloan School of Management
Understanding delivery models – the ‘theory’

There is a legal entity for anything, finding the ‘right one’ requires clarity of intent and purpose, taking on board a range of factors, underpinned by a set of powers and models under LG powers to do all of this.

The big challenge is what will it take for you to make the change – thinking back to some of the challenges in the previous section.

So what’s stopping you?

Potential reasons will run from traditional views still persisting and/or a long established culture of how you deliver services and organise the authority, or more basic barriers like fear of failure and concerns over the risk of making major change.

So, this section is about opening up what thinking differently might mean for you, your services, your organisations and your wider stakeholders. Focusing in on the opportunity: what are the options and the strength of the attributes in each option.

And, after lunch we hear from some of the bold and the brave who have done things differently……
There is permission and legal form for almost anything, making the ‘right choice’ requires clarity of intent and purpose

3 key decisions:

**Make**
- What are we the best at?
- What should we be the best at?
- How do we maximise revenue opportunity?

**Share**
- Who do we have good relationships with?
- Who do we need great relationships with?
- Who can we work with?

**Buy**
- Who does this best?
- Can we compete and win?
- What skills do we need to ensure we drive value delivery?

Position your business to deliver what it is good at, then make it the best!

**Involve stakeholders**
‘Customers, Staff, Users, Suppliers’
Defining the opportunity: what are the options?

What other options are there?
Influencing the decisions you need to consider

**Political**
- Manage Political dimension – ‘who decides, who is accountable’
- Funding is not linked to activity
- Where does the surplus go (investors, directors, staff, users)?

**Sustainability**
- What do you do best (alone, with partners, suppliers, community)?
- What regulations prevail (public, commercial, charitable, social)?

**Governance**
- Who establishes and exercises ownership, influence and control boundaries (corporate directors, staff, users, partners)?
- Shape and scale of opportunity
- Involvement of partners, stakeholders, suppliers
- Nature of delivery model
- Requirements for return

**Business/Service management**
- Who establishes and exercises ownership, influence and control boundaries (corporate directors, staff, users, partners)?
## Strength of attributes in each approach

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>Risk</th>
<th>Productivity &amp; performance</th>
<th>Investment returns</th>
<th>Accountability</th>
<th>Ownership</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Make</strong></td>
<td>High</td>
<td>Retained</td>
<td>Fair</td>
<td>Used to balance budget</td>
<td>Clear lines, sits with sector</td>
<td>Corporate</td>
<td>Diverse</td>
</tr>
<tr>
<td><strong>Share</strong></td>
<td>According to model</td>
<td>Apportioned by who should manage it</td>
<td>Driven by SLA’s</td>
<td>Split based on risk and investment level</td>
<td>Sits with sector</td>
<td>Remains with each component body</td>
<td>Diverse</td>
</tr>
<tr>
<td><strong>Buy</strong></td>
<td>Split between commissioner and provider</td>
<td>Apportioned by who should manage it</td>
<td>Driven by SLA’s</td>
<td>Split based on risk and investment level</td>
<td>Sits with sector</td>
<td>Remains with each component body</td>
<td>Delivery of SLA and contract</td>
</tr>
<tr>
<td><strong>Staff led</strong></td>
<td>Defined according to model</td>
<td>Defined by model</td>
<td>New risk of failure</td>
<td>Proven to be higher</td>
<td>Distributed according to model</td>
<td>Sits with sector and new co</td>
<td>Sits with new co</td>
</tr>
<tr>
<td><strong>User / community led</strong></td>
<td>Defined according to model</td>
<td>Defined by model</td>
<td>New risk of failure</td>
<td>Proven to be higher</td>
<td>Distributed according to model</td>
<td>Sits with sector and new co</td>
<td>With sector / community according to model</td>
</tr>
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Test fast, fail fast, adjust fast.

Tom Peters
UNDERSTANDING DELIVERY MODELS (2)
Understanding the delivery model landscape - 2

Sharing insights and experiences of Delivering Differently - straight from the horses mouth
DELIVERING DIFFERENTLY – PROCESS AND NEXT STEPS
Why set up another programme?

Delivering Differently is designed to fill a gap in support

Builds on lessons from the Mutuals & Right to Challenge Programmes

Ties into the PSTN & work in central government on alternative models

Draws on expertise of the sector through LGA & SOLACE
Support Package

£100,000 package of professional advisory support

Procured by us on your behalf

Specification worked up together
Two aims:

Review and select a model

Set out implementation plan
Expression of Interest –

Deadline 10th Feb

Natasha Price  Delivering Differently
What are the services you want to redesign?
- Purpose
- Sector
- Scale

How are they currently delivered?
- In-house
- Partnership
- Outsourced

What's the driver for change?
- Sustainability
- Income generation
- Staff or partners

What benefits could be delivered?
- Service innovation
- Better outcomes
- Efficiencies
What resource would you commit?
SRO
Project team
Materials

How would you engage with partners?
Other authorities
Public bodies
Private sector
Staff and VCSE

Would this help transformation across your authority?
Other projects
Learning for staff
Internal evaluation
Above all:

Be concise

Be clear

Be focused
Interviews - 19th – 21st February

45 to 60 mins

3 person panel

Short pitch followed by questions

Natasha Price

Delivering Differently
Announcement -

26th February

Natasha Price  Delivering Differently
Procurement Process – March

Specification
Supplier day
Marking & award

Natasha Price  Delivering Differently
Reviews - April to June

Further Ahead - July onwards

LGA Conference
RSA Report
Pilot evaluation

Natasha Price  Delivering Differently
Open forum Q&A

Your chance to sense check anything that you’ve heard today…….
We are an employee-owned firm of over 2,500 people, operating globally from offices across North America, Europe, the Nordics, the Gulf and Asia Pacific.

We are experts in energy, financial services, life sciences and healthcare, manufacturing, government and public services, defence and security, telecommunications, transport and logistics.

Our deep industry knowledge together with skills in management consulting, technology and innovation allows us to challenge conventional thinking and deliver exceptional results with lasting impact.