

R&D for 'Bright Ideas'

While central government still operates in its silos, local government is further advanced in its thinking on joint working, finds Helen Olsen, as chief executives round the t-Gov table call for the creation of a cross-cutting R&D innovation fund.

The biggest frustration that we have in achieving anything is national government ministries, says Colin Moore, chief executive at Redcar & Cleveland Borough Council.

"If we are to transform local government by breaking down the boundaries - so that public services are seen in the sense of place and how they shape a place - then what happens now can not continue. At the moment, for example, we agree a partnership approach based on local needs with the primary care trust, and then the Department of Health tells the PCT 'that is not your objective, these are your objectives laid down by the minister in London'. And our joint, integrated plan gets ripped up. It is enormously frustrating - it is getting better but there is still a long way to go,"

Moore maintains that it is "enormously difficult to get different ministries to link up when they have different capital funds, different purposes, different performance regimes, different timescales, different criteria. It is absolutely hopeless."

"Why can't we have a cross cutting secretary of state?" he asks.

"Local government has already transformed itself into strategic directorships based, for example, on children's services or environmental services. Why can't government do the same?"

There is consensus round the t-Gov table that government lacks the ability to cut through its own silos and truly reform service delivery.

"There's an argument for a group of people, a unit or programme to actually sit down and say, 'hold on let's do some thinking about the bigger picture here, how can we really make it all work?'" suggests Stephen Baker, chief executive at Suffolk Coastal District Council.

"It needs somebody who can take a cohesive view, a joined up view across everything 'government' - the classic helicopter view."

Innovative R&D pot

It is at this point in discussions that Peter Rogers, chief executive at Westminster, floats the concept of an R&D innovation fund for citizen services: "There ought to be a sort of 'good ideas pot' in Cabinet where

somebody says 'that is a really good idea, we will go with that', and the other departments are expected to buy into it, not bitch about it.

"If you could reassemble government to focus on the citizen and the outcomes that it is trying to achieve for the citizen, then R&D at a government level makes sense. I would buy into ideas put forward through this from the Home Office or from Department of Health if it had real benefits for my citizens or customers."

"Gus O'Donnell should have his mind focused by the sort of peer review process going through government departments - it suggests a need for significant reform in the way they work. In my view it is the same reform that local authorities have gone through - essentially asking what outcomes are we trying to achieve, who participates?"

And then enabling corporate working to achieve this - with clear lead responsibility and top level performance management through to completion."

All agree that to not only create such a fund, but cut across the departmental silos, action and sponsorship would have to come from very the top. And that calls to date have fallen on deaf ears.

"Ultimately," says Moore, "it would have to be the decision of the prime minister - whoever that will be."

According to Rogers, an R&D fund should "definitely not be managed by CLG because that would miss the real outcome - which is government improvement. If we have silo investment it will be for silo return, relating only to that ministerial department.

"Such projects should relate to total government satisfaction. And to do this an R&D pot would need to be run by either the prime minister's delivery unit or the treasury. It would be cross departmental R&D funding.

David Parr, chief executive at Halton Borough Council, rightly points out that the idea behind the digital challenge was to trial cross-cutting and innovative service



deliveries. "I am not quite sure when it got derailed, but it didn't deliver, maybe because it was about one main winner," he says.

"An R&D fund would need to have flexibility - which is why crossing over departments and sitting it either with the cabinet office or with the Treasury would give it more power to be able to go beyond the status quo."

Adds Rogers, "The thing that local authority and government doesn't do is invest in R&D consistently. What it does is spread pilots across a number of organisations where they are all trying to do the same.

"There is a case for government to actually create an R&D budget that local authorities could bid for. And say 'why don't we try this in this local authority and see the impact over three, five, ten years?'"

"This would support innovative, cross cutting projects that may not be quite consistent with all policies, but have a real opportunity for outcomes across the sector.

David Parr believes that national targets need looking at in this context: "What I would ask for is long term targets rather than short term ones. And targets that are flexible enough to take local needs into account.

"Take crime, for example. If we achieve our domestic abuse targets in Halton this will impact on our ability to achieve our targets on reducing overall crime by 17.5 percent - because the success of the former will increase the latter. It would be more sensible for us to take our domestic abuse statistics out of that 17.5 percent but government have refused to allow us to do this."

Halton has therefore taken an admirable local decision that sees the council prepared to risk not meeting its overall crime target ensure it delivers on reducing domestic abuse, "Because that would actually add more value to the local community".

Pushing the boundaries

One thing that the public sector, as a whole, is not good at is piloting, evaluating on the hoof, demonstrating success, and



Colin Moore



Peter Rogers

publicising this within an easily understandable context – some of these elements are done well in many projects. Few manage all.

Peter Roger agrees that this hampers the business case, “If you trumpet R&D you could also attract the Intels, the Ciscos and Microsofts to help develop something significant which would then provide an offer commercially for them if it works.”

Rogers cites as an example, Westminster’s wireless project. He believes it has taken three years longer to get off the ground and demonstrate the benefits due to the difficulty in funding such a far reaching project – despite commercial interest from Intel, Cisco and Capgemini.

“Wireless has been important,” he says. “It enables us to get into vulnerable communities and actually provide services which are much better, much more responsive.

“We have been able to transform front line worker productivity by using data which could be moved through technology rather than through paper. We could then bolt onto it all the other applications we want, the police want and so on. We can do this across multi services and offer it to other organisations which enables us to take significant costs out of the council to reinvest in better services.”

Westminster is also working on its Worksmart programme, looking at the four ‘Ps’ – people, property, process and procurement – and the potential for technology to link, and significantly reduce, these costs. Two floors of City Hall are shortly to be let - which is pretty good evidence that there is a sound business case in this programme.

Transformation

One could argue that this whole discussion is just part of the thinking stirred up by the transformation agenda. But it seems that local government has taken the concept many steps further than its originators intended.

Says Rogers, “You can transform anything - but from what, and to what? You could turn a beautiful princess into an ugly frog and it would be transformation but not in the right direction! The important bit is to start off simply defining what you want to achieve.

“And I don’t think the government has worked out what it wants to achieve yet. I know it wants some outputs, but I am not sure it has yet defined its outcomes.

Colin Moore adds that “Transformation is a fundamental rebuild of what we are and how we work - using technology to break down the departmental and organisational barriers both internally and across the public sector, to provide flexibility and choice in services according to what

individuals or small communities need.

“We’ve lived our local government lives based on a one hundred year old pattern of government structured on professions that provide discrete and separate services, where the public has no choice in the service that they receive.

“It is time to get rid of all those historic departmental systems and smash the professions and silos.

“I believe we need to create a modern ‘virtual business environment’ from which services can be delivered or commissioned. In a transformed local government you are looking at the development of

commissioning skills whereby the authority doesn’t just buy from the market but shapes and develops it as well.

Stephen Baker says that transformation is a much bigger agenda than previous such initiatives: “Its success is down to vision, leadership, and it needs to involve the whole council as a political drive.

“And if you don’t believe and lead it from the top it is not going to happen.”

He agrees that the past is no model for the future: “The role of the chief executive is being redefined. It’s no longer sufficient just to be a strategic player. In this process of change we must engage more with communities, staff, and other agencies and sectors. We need to lead by example if cultural change is to be embedded within the organisation, and transformation achieved.”

Joining up

The real challenge – and opportunity - says Rogers, is in multi area agreements: “Because services don’t stop at the boundaries. Take the example of social care - if the NHS invested in prevention rather than treatment through social care they would actually get the return which would ultimately lower the cost.”

Moore agrees, “Parliament, in its infinite wisdom, has decided that there should be a local authority that provides social care for the elderly and a primary care trust providing community nursing. Each of these organisations is paid for by the tax payer. But the tax payer is paying their taxes so that older people can receive whatever care package they need – and who actually cares whether that care comes from an organisation called Redcar and Cleveland Borough Council, or Redcar and Cleveland Primary Care Trust?

“We are all funded from the same source. We all have the same objective. The fact that parliament has decided we are separately managed and accountable organisations should be neither here nor there.

“If local government ran the primary care



Stephen Baker

Round the table:

David Parr, Chief Executive, Halton Borough Council

Peter Rogers, Chief Executive, Westminster City Council.

Colin Moore, Chief Executive, Redcar & Cleveland Borough Council

Stephen Baker, Chief Executive, Suffolk Coastal District Council

Martin Scarfe, Programme Director, Local t-Gov, Newham Council

trust and the commissioning aspects of acute care in its area, we could deliver the government’s agenda far quicker with far fewer bureaucratic blocks.”

Rogers concedes that a lot of what local government does “could be done better”, but maintains that “they could certainly be done a lot better across some of the other agencies - housing benefit, department of Work and Pensions, they are integral in terms of delivering a first class service to some of the most vulnerable.”

The opportunities, says Rogers, “...are enormous if we start thinking differently. It may take a long time to get there but there is no reason why local authorities can’t have a vision with a longer term view in mind and make sure the hooks are there to link the next initiative after transformation.”

Sharing data

And yet local government has a problem sharing data and working together - with other authorities or other organisations. The issue has been one of great debate over the last five years.

However the view at the table was that this was often used as an excuse: “A bit like human rights,” says Moore. “We can’t do that because of data protection’.”

“But,” adds Rogers, “The data sharing issue is cracked regularly by local authorities. Our crime and disorder partnership regularly shares data with our data sharing protocols. The issue can be used as an excuse.

“What we don’t have are the necessary protocols with central government. If the government new White Paper is to mean anything then it must bring a new relationship, a partnership, between central government and local government that is not about master and slave.”

Baker points out that there is also an issue with the interfacing between systems: “How do you actually get to share the data?

“One of the things I am just kicking off is an audit of all the key IT systems across the county and districts to build up a picture about which are due for renewal, when, and what the contractual arrangements are. This will get us ‘upstream’ of any IT changes, and help us focus our change agenda. ICT can be both an enabler and also a huge barrier to change.”

Sharing services

Shared services are 'a good idea', but, as Colin Moore rightly points out, "If it can take Oracle six years to create shared services in its own organisation - led by one immensely wealthy individual who is a strong leader, strong manager - how on earth are you going to do it between politically driven bodies?"

Where shared services really ought to work, he says, is tax collection and benefits payments, "because really there are no politics in revenues and benefits there are significant savings to be made. They are tightly bound by regulation and there is no local choice.

"So long as you get people to swallow their pride then shared service is something that you should do, or even that government should take the lead in."

However, as Stephen Baker points out, "We all have different communities who pay different amounts of rates and council tax. One thing that shared services does is reduce the amount of control that members have over how services are delivered. If councils are of a different political colour how keen are they then going to be to start sharing services?"

"Back office maybe, but for the front office function they may well be working to different standards and local priorities."

Baker cites the recent suggestion from his Regional Centre of Excellence that there should be a shared revs and bens service across the East of England, involving 46 authorities: "But you can't have a regional approach and then have the local accountability spread out across 46 different authorities - because all the local members are going to be saying 'hold on a minute, what about my performance?' etc.

"Another suggestion was to have a single system for revs and bens. But having different suppliers encourages competition, system development and innovation. What we actually need is integration between suppliers."

Sharing the vision

"The key issue for me with shared services is middle management," says David Parr. "To get middle managers engaged in this cultural shift is probably the hardest thing for us to do because they are vulnerable and they are often fearing for their own employment."

Moore agrees: "Transformation is a serious threat to middle management because if you have direct access and a corporate approach to service delivery - where the public can ask for a service and the person they ask can arrange its delivery by accessing people's diaries and work schedules remotely - then the whole concept of supervision and middle management starts to break down."

Rogers argues, however, that there are lots of new careers created through a shared service, "What you do is create excellence in customer service as a profession - which is very different to being at the bottom end of an organisation in a professional environment. You create alternative employment models - that is really the challenge for transformational government, not just around shared service."

David Parr also highlights the current reorganisation as a problem: "It is inhibiting a lot of shared working due to bad feeling between councils. Unless that is sorted out quickly it will impact on a large part of the country's population," he warns.

Private lessons

Of course, the public sector can learn much from the private sector: "Local government should be able to learn from everybody - it is important that we do. Whether that is the public sector, the private sector, in this country or abroad. There are lots of exemplars out there that we can learn from," says Parr.

"The excellent, four star authorities able to maintain that level of performance, are the ones that are self critical, self analytical and do look and learn beyond local government - because it's actually easier to get to the top than it is to stay at the top," he adds.

Rogers quotes his own experience in the private sector running a bus company: "If I didn't put my buses where the people were I lost revenue.

"It should be no different with local authority services. Right time, right place, right value - you have given people what they want.

"Local authorities don't invest enough in terms of survey on needs and performance. It is vital to use such data to drive your plans. If the politicians deliver what the people want they will be re elected. If they don't they will not. So everybody has an interest in defining the need and the service."

One thing that was striking throughout the interview was the willingness of these chief executives to look around them, share experience, learn from the best and see if that could be applied locally. Says Rogers, "The only thing that disappoints me about my life is it's taken a long time to find I could have got better results by copying!"

Public exemplars

But that is not to say that local government is not rightly proud of its own successes. Says Parr, "I think the private sector can actually learn a few things from local

government as well; it is not a one way track!

"Exactly," agrees Rogers. "When you order a bit of kit from Currys, Dixons or wherever they will give you a four hour delivery slot 'a week on Thursday' - you wait in all day and then it arrives at 9pm that night.

"My refuse vehicles, in the centre of London, have a two hour slot. And they meet it every week. It is good service design, delivered through private sector contractor against a public sector client."

Embrace the difference

Baker maintains, however, that local government "needs to be prepared to be different; to recognise that we need to move on from where we are, but we are not the private sector.

"It is a bit like the channel shift argument in the days of e-government: 'It may be cheaper to make payments online, but most people already pay their council tax by direct debit! And when there are problems you need somebody to speak to.

"We need to be aware that we are in a different ball game to the private sector that can cut unprofitable customers - the full scope of our customer base is the full scope of the community. They are not just customers; they can't always choose who provides a service; they are our citizens.

"We also need to recognise that there will always be a part of our customer base that will be behind the curve when it comes to

technology and access."

Central support

Rogers believes that there is an opportunity for local authorities to exploit in transformation and that they "are up to that challenge".

It is clear that those round the table believe that the real opportunities in transforming service delivery will come from crossing departmental barriers, but that this needs the support of both central and local politicians and civil servants.

What is also clear is that, instead of approaching the task top down, it is time for government to ask the experts at the front end for their ideas: local government is well placed to drive through this change and deliver collective outcomes.

The winner in all this, of course, is the citizen. However, points mean prizes, and with leadership changes and general elections on the horizon, government - and cabinet - should consider the reputational impact of ultimately transforming public service delivery or wallowing in further rises in public expenditure coupled with inflexible service delivery.



David Parr

Thought Leaders at t-Gov EXPO

Local government is outstripping the central behemoth when it comes to delivering the transformation vision, says Local t-Gov programme director, Martin Scarfe.

In the t-Gov round table covered in previous pages, four of our leading chief executives have suggested that the public sector's departmental silos need to finally be smashed and the public sector joined up from top to bottom.

At the same time they have called for government to create an innovative 'R&D pot' at the highest echelons of government that leading councils or partnerships could apply to for funding to pilot cutting edge projects that could push the boundaries of public service delivery.

These pilots must have solid business cases and deliver measurable benefits. And, if the project works, it must deliver a product - for which the government owns the IPR - that can be rolled out across local government

This, they rightly say, must be backed at the highest level by a 'cross cutting' permanent secretary able to sanction daring new approaches to service delivery.

Such a fund, run by a team at prime minister's strategy or delivery unit - at cabinet office level - could jump start transformation and deliver a step change in results.

By rapid response piloting of radical projects there is an opportunity to prove concepts and business cases whilst at the same time minimising the risks involved in

rolling out major, unproven, programmes. Indeed, perhaps if the NHS plan for IT had been approached in this way the current problems could have been avoided.

If such a fund is created it is vital that it is independent - aiming solely to explore innovation in public service delivery, by whatever means - rather than be linked to the 'current' policy flavour and bound by its limited lifespan.

Delivering continuous, efficient improvement does not stop with the end of 'this' programme or 'that' policy. From local government's point of view this concept lives beyond policies and politics.

t-Gov EXPO's comprehensive educational programme has been carefully put together by the Buy IT Transformation Network - who run a number of central and local government best practice networks - with the aim of provoking debate such as this and facilitating experience sharing.

I hope that you will be able to join us at EXPO as I believe that it offers a unique opportunity to network with and learn from both senior local government colleagues and the major service providers who can help us deliver transformation.

I look forward to meeting you there.

Martin Scarfe
Programme Director, Local t-Gov
London Borough of Newham

Programme Highlights

John Suffolk, CIO to HM Government

Sir Nicholas Montagu, former Chairman of the Inland Revenue

Lucy Neville-Rolfe, Executive Director at Tesco plc (ex-Cabinet Office)

Peter Rogers, Chief Executive of Westminster City Council

Sir Robin Wales, Mayor of the London Borough of Newham

Alan Jones, Chief Executive of Somerset County Council

Stephen Baker, Chief Executive of Suffolk Coastal District Council

David Parr, Chief Executive, Halton Borough Council

Colin Moore, Chief Executive, Redcar & Cleveland Unitary Authority

Glyn Evans, Asst to the Chief Exec on transformation, Birmingham City Council & CIO Council

Jos Creese, Head of IT, Hampshire County Council & CIO Council

Hannah Goodman, TCS, Chair, Local Government Service Provider Advisory Group

Simon Norbury, Government Connect & Head of IS, Westminster City Council

Colin Whitehouse, Senior Advisor, Department of Communities & Local Government

Rita Wilson, Director, International Centre of Excellence for Local eDemocracy (ICELE)

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