

Joint Strategic Committee on 7<sup>th</sup> January 2014 Worthing Council on 13<sup>th</sup> January 2014 Adur Council on 14<sup>th</sup> January 2014

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Ward: All

## Organisational Changes 2014: "Catching the Wave"

## Report by Chief Executive and Head of Paid Service

#### 1.0 **Summary**

- 1.1 This report sets out proposals for organisational change to ensure both Councils have the officer leadership required to meet medium and longer term challenges.
- 1.2 The report sets out the Chief Executive's views of the context and current organisational capacity (as identified by various stakeholders across Adur and Worthing) and identifies the structural changes required, the processes to be followed and an outline timetable.
- 1.3 It seeks from Joint Strategic Committee an endorsement of the proposed changes; an agreement to the voluntary redundancies and processes set out and a recommendation to both Councils to approve the recommendations and release up to £358,000 from reserves to fund the necessary transitional costs.
- 1.4 It seeks from both Councils endorsement of the decisions of JSC and gives authority to release the necessary resources from reserves to fund the transitional costs.

#### 2.0 **Background**

- 2.1 The Chief Executive took up his post early September 2013 with a clear brief from Members to:-
  - Identify a new strategic direction for both Councils and
  - to form a view as to current organisational capacity (and any perceived gaps)
  - to formulate proposals to ensure the organisation is well placed to meet challenges and take opportunities over the medium term.
- 2.2 Attached at Appendix 1 is a document "Catching the Wave" which sets out the findings of the Chief Executive and provides a suggested direction of travel for the organisation. This document is a synthesis of several hundred conversations with businesses, communities, individuals, elected Members, staff, public service partners and regional and national organisations. It is not intended to be a wholly objective analysis of everything both Councils are doing or could do, neither is it an in depth piece of strategic management consultancy. It does, however, seek to

understand the places that are Adur and Worthing (and their communities) and the national and international context in which we are currently operating. It seeks to identify our current organisational capacity and certain gaps that we have in skills, processes and cultures (particularly from the perspective of those outside the organisation with whom we relate). It seeks therefore to be both a narrative of place and a direction of travel for us over the next 2-3 years. It is also intended to start a discussion amongst staff, Members and key stakeholders on how best we catch the wave of opportunity identified.

- 2.3 Without rehearsing the entire document it makes specific recommendations as regards "3 wave catchers" that we should focus our energies upon, namely:-
  - Supporting our wealth generators,
  - Cultivating enterprising communities and
  - Becoming adaptive councils
- 2.4 In the Chief Executive's ward walks and many other conversations he has heard a number of views from Members (and members of the community) about what is required and those views are substantially represented in the document. The Chief Executive has intentionally come into role with "outsiders eyes" and therefore, for some, parts of Catching the Wave may make challenging reading. It should be noted that where it specifically challenges our current ways of operating it is not intended to be a criticism of individuals, groups or teams, but a critique of our system for the purpose of making us the best that we can become.
- 2.5 Feedback received on the Catching the Wave proposals so far has been supportive and encouraging and the Chief Executive has established a Change Programme that intends to be light on bureaucracy; focussed on the outcomes we need to achieve; that works at pace and that seeks to draw upon the collective intelligence of our staff, Councillors and partners. There are four work streams to the Change Programme, focussing on:-
  - Partners and partnerships
  - Operating processes
  - People and structures
  - Communications, culture and organisational development
- 2.6 Whilst Change Programmes are subject to many variables, it is believed that the best chance of our Catching the Wave lies in developing our thinking and swiftly delivering the four themes above in a systemic and co-ordinated manner. It is intended to develop and deliver this programme of change within existing resources wherever possible.

## 3.0 Proposals

3.1 On page 25 of Catching the Wave the Chief Executive identifies a number of key issues to address early in bringing the propositions to reality. One of these is to ensure we have the leadership capacity to take on the agenda, to focus on the outcomes identified and harness the capabilities of partners and communities in achieving them. We need to ensure that the senior leadership of the organisation

- has the skills, competencies, behaviours and experiences to meet these significant challenges.
- 3.2 To that end the Chief Executive has consulted with senior staff directly affected on proposals for significant change to the existing officer structure.
- 3.3 Appendix 2 sets out both the existing and the proposed new organisational structure for Adur and Worthing Councils.
- 3.4 The principles behind those proposals are:-
  - Form follows function. We should group ourselves around the outcomes and themes that matter most (rather than around historic portfolios of activities or similar types of profession).
  - The future Councils Leadership Team (CLT) will be leaders of place, outcomes and the organisation as a whole not just managers of particular functional groups reporting to them. They will be accountable for delivery of services within their portfolio and leadership across the organisation and into partner activity is as much part of the role as leading their staff groups.
  - That in the new structure we need to take a significant step on from being shaped around functional or professional groupings to having a stronger focus on end-to-end outcomes or experiences for business, communities and individual residents or customers.
  - That the existing 2 tier Strategic Director and Executive Head structure (whilst
    understandable from an historic perspective) has now reached the end of its
    useful life. For reasons of clarity and accountability (and in order to group parts
    of the organisation with a similar focus) it is proposed to move to four Directors
    with leadership responsibilities for the four key outcome areas identified.
  - That it is important that we keep the cost effectiveness of our senior leadership under regular review in the same way we would any other services. Over the medium term the structural changes being consulted upon will deliver direct and indirect financial savings in addition to an enhanced leadership capacity.
  - The relatively large number of people at the "top table" can currently make
    decision making difficult and inevitably blends the operational and the strategic
    with occasional confusion on decisions made, how they apply at a more local
    level and accountability for them (where decisions made affect more than one
    area or the whole business).
  - That our procedures for managing change will be followed and we will seek to minimise the number of staff put at risk.
- 3.5 The proposed new structure moves from a Management Team of Chief Executive, two Strategic Directors and seven Executive Heads (10) to a Council Leadership Team of Chief Executive and four Directors (5). This will be the first phase of organisational change that it is anticipated will take place by April 2014. Once those new Directors are in place they will in turn look at the services and functions within their portfolios to determine what if any additional changes are required at the

- tiers below. There are certain specific exceptions set out later in this paper. Any consequent Phase 2 re-shaping will take place over the Summer of 2014.
- 3.6 To support Directors in their thinking, our HR Services will adopt a Business Partnering approach, with individual HR staff appointed to support the new Directors over the long term in strategic HR issues (including performance support, change management, talent management, OD and cultural interventions, organisational design etc.).
- 3.7 The new agenda will require a different approach to the Corporate Centre functions that currently report to the Corporate Strategy Manager. It is proposed to strengthen the focus on the 4 key corporate areas of:
  - Productivity and Innovation (including performance, programmes and commissioning)
  - Organisational Development
  - Policy (and Research)
  - Communications and Reputation
- 3.8 It is proposed to delete the post of Corporate Strategy Manager with these 4 areas then reporting directly to the Chief Executive (with some additional capacity in the Productivity and Innovation and Communication areas as set out below).
- 3.9 It is not proposed to make specific changes to the PA/admin support currently in place. The only exception to this will be to support the voluntary redundancy request of one PA, as set out later in this report.
- 3.10 The proposal therefore is to delete:
  - 2 x posts of Strategic Director
  - Executive Head of Financial Services
  - Executive Head of Technical Services
  - Executive Head of Planning Regeneration & Wellbeing
  - Executive Head of Adur Homes
  - Executive Head of Customer Services
  - Executive Head of Corporate & Cultural Services
  - Executive Head of Housing Health & Community Safety

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- Corporate Strategy Manager
- PA to the Strategic Director

This will enable us to create four new roles:-

- Director for the Economy
- Director for Communities
- Director for Customer Services
- Director for Digital & Resources

- 3.11 Catching the Wave also identifies three significant capacity gaps. We need to address these by creating at "Head of" level 3 roles to create the additional capacity we need. The new roles will be:-
  - Head of Productivity and Innovation (working directly to the Chief Executive) to drive business transformation through the organisation, change programmes, develop our Commissioning capacity and develop consistent performance management approaches.
  - 2. Head of Strategic Planning and Economic Development (working to the Director for Economy) to provide additional capacity required to support the economic growth agenda
  - 3. Head of Strategic Finance (Section 151 officer) working to the Director for Digital and Resources (to deliver more sophisticated and cohesive long term strategic and financial planning).
- 3.12 Depending upon who is appointed to the Director posts, one or more of those 3 roles may not be appointed to, but may be incorporated within the new Director roles. It is anticipated that for any post holders in deleted posts (that are not the subject of voluntary redundancies) that are not appointed to Director roles then these roles will provide suitable alternative employment as well as enhancing our strategic capabilities in key areas. It appears highly likely that there would then be a "slotting" into posts for those individuals.
- 3.13 The other post to be created as part of this organisational change package is a new post of Head of Communications. Our current capacity to proactively and strategically deal with a significant communications agenda is insufficient and it is vital that we recruit a communications professional to provide the appropriate level of leadership to the function. Many of the proposals for our future involve our communicating and engaging better with a wide range of stakeholders and marketing our places differently. Our existing communications capacity is already severely stretched delivering our existing agenda and needs reinforcement and professional leadership.

#### **The New Director Posts**

- 3.14 As will be seen from Appendix 1 the groupings proposed under each of the new Director roles seek to align those parts of the organisation that will most strongly impact upon the outcomes identified in "Catching the Wave". We have also sought to group under Directors particular "types" of services. So for example under the Directors for the Economy and for Communities we group a number of outward looking and proactive functions (e.g. Regeneration and inward investment or Housing Strategy and Leisure). Under the Director for Customer Services we group outward looking and responsive services (e.g. Development Management and Waste Collection) and under the Director for Digital and Resources, inward looking and proactive services (e.g. Financial Services and HR).
- 3.15 As stated above these Director roles are not just about managing services. They are about leading agendas, achieving outcomes and building and sustaining important relationships. They will require excellent understanding of the external

environment, the building of key professional and partnership relationships and challenging where necessary any practices or "professionalisms" that get in the way of achieving our desired outcomes. Ability to work well with party Politics and (Community) politics will be essential.

3.16 It is important to recognise that these posts are Directors "for" not Directors "of". By this we mean that they are about stewarding and leading people and other assets, not about creating personal "fiefdoms" or proprietary interests over the services concerned.

## **Director for the Economy**

- 3.17 This Director's portfolio would be:-
  - Regeneration
  - Planning Policy
  - Major Projects
  - Inward investment
  - Economic Development/Tourism/Transport issues
  - Skills
  - Estates
  - Culture (Theatres/Museums plus developing a broader cultural offer)
  - Parking
- 3.18 As outlined in Catching the Wave, this role aims to bring together most, if not all, of the key drivers for supporting economic growth over the next 2-3 years. The new Director role will not just head the regeneration and economic development functions but will also work closely with neighbouring local authorities, the Local Economic Partnership, City Deal, Coastal West Sussex Partnership as well as the economic functions of West Sussex County Council. The Director will need to fully understand how local economies work, have credibility with investment markets as well as experience of delivering large scale development activity. We propose to include our own Estates in this grouping (to ensure we use our property portfolio to drive growth) and to bring together our cultural offer as well as tourism and transportation issues. Parking Services will also join this grouping as they are critical to economic recovery and relationships with Town Centre economies.

#### **Director for Communities**

- 3.19 Under this Director we propose to bring together:-
  - Housing Strategic
    - Adur Homes
    - Clienting
    - Needs/Options/Advice
  - Leisure (and clienting)
  - Parks/Foreshore/Burials
  - Community Wellbeing
  - Community Safety

- Community Engagement
- Partnerships (LSP etc.)
- Democratic Services/Mayoralty
- 3.20 These functions are grouped together as they have been identified as having the greatest initial capacity to develop enterprising communities in Adur and Worthing over the next 2-3 years.
- 3.21 The new Director role will use all of the Councils' assets and (in partnership) those of key stakeholders and communities themselves to ensure stronger, resilient communities develop and the role and impact of the local community and voluntary sector is enhanced. The new Director will need to understand how local social economies work, how to support and develop existing community activity and how to ensure the commissioning activity of Adur and Worthing Councils (as well as a number of our partners) can best be used to support our local social economy.
- 3.22 All Housing functions, leisure (including clienting), Parks, Allotments and Foreshore and a range of community based activity are included. In order to bring Democratic Services and the Mayoralty closer to communities it is also proposed to include those functions under that Director.

## **Director for Customer Service**

- 3.23 Under this Director we propose to bring together:-
  - Building Control
  - Development Management
  - AWCS (cleansing, waste, street scene, vehicle maintenance etc.)
  - Crematoria
  - Axess Partnership
  - R&B CenSus Client (Adur)
  - R&B (Worthing)
  - Customer Services
  - Corporate Information Management (CIM)
  - Land Charges
  - Elections
  - Licensing
  - Environmental Health
- 3.24 This role will develop highly effective and efficient customer services across a range of functions that have a critical interface with our residents and businesses. The role will jointly develop digital solutions for customers; ensure our 'human face' is a positive one and that our customer's experiences are consistently excellent.

- 3.25 There are some customer facing services under the leadership of other Directors as well. All Directors will have a joint and collective responsibility to ensure that the high standards developed by the Director of Customer Services are consistently applied across all service areas.
- 3.26 These functions represent a wide range of outward looking services responsive to individual and business customer needs. Development Management is specifically included here (and not in Economy) to ensure the continued focus on excellent services for individual/business users of the planning function.

## **Director for Digital and Resources**

- 3.27 Under this Director we propose to bring together:-
  - "Digitalisation" & IS (Client)
  - Accountancy
  - Exchequer
  - Fraud (Worthing)
  - Internal Audit
  - S151 O's
  - Treasury Management
  - Worthing HB Verification & Adjudication
  - Business Services
  - Legal/Monitoring Officer
  - HR & Occupational Health
  - Engineering/Surveying & Design
  - Support Services
- 3.28 This key role will focus upon how we "digitalise" our business moving forward, ensure a robust and adaptable information architecture and that our strategic IS investments give us maximum returns.
- 3.29 By "Digitalisation" we mean ensuring that we have a clear vision and strategy for how we move, over time, all of our information based transactions to digital platforms. Our customers, businesses and residents are increasingly used to doing business "digitally". Be it banking, estate agency, booking holidays or applying for a vehicle licence a digital solution is now increasingly preferred to going to a building and undertaking a face to face transaction. Much of this is powered by the huge growth in Smart phones and "Apps". We will not shut our "front offices" but can improve accessibility, choice and reduce our cost base over time (or direct resource to where face to face transactions add real value).
- 3.30 Almost all organisations (in public, private and community and voluntary sectors) are bringing digital to the heart of their operations and using it to reinvent what they do. Local Government should not be an exception. Our digital offer would be different for a business wanting to relocate, a community group wanting to run an

- event, a resident with a Council Tax question or wanting to check their 'bin day'. A comprehensive and costed approach will be developed by the Director.
- 3.31 It will also cover the leadership of our Strategic and Operational Finance, Business Services, Legal Services, HR, Engineering, Surveying and Design and Support Services. Its key focus will be on proactively supporting other parts of the business with their agenda, ensuring our internal operating systems and decision making processes work quickly, effectively and flexibly, whilst ensuring sound governance of our business as a whole. The post holder will ensure the development of long term strategic and financial planning to ensure the Councils have a robust medium term financial and service strategy for the next 3 years. (2014-17).

## **Search and Selection**

- 3.32 Following a competitive tendering process executive search and selection agents ("headhunters") have been appointed to assist with the process, to ensure the widest possible field of candidates is attracted and to bring expertise and objectivity to the process. SOLACE Enterprises have been appointed (who have worked with the organisation before) and will be:-
  - Undertaking job evaluation
  - Producing a micro-site for potential candidates
  - Overseeing on-line and print advertising
  - Executive search
  - Sifting and support with long-listing
  - Preliminary interviews prior to assisting with short-listing
  - On-line assessments
  - Assessment Centre for shortlisted candidates
  - Final Member interviews
- 3.33 The intention would be to commence recruitment immediately if JSC and both the Councils approve the structure and agree to release the relevant funds from reserves.

#### **Existing Post Holders**

- 3.34 The Chief Executive undertook a two week Consultation process on the proposals in mid-December. All responses have been considered and, where appropriate, factored into revised proposals in this report.
- 3.35 It is important to recognise that the uncertainties of organisational change can at times have impact upon individuals and groups and how they operate. All senior members of staff have continued to operate well despite uncertainties over their personal positions and this does them great credit.

- 3.36 Under our HR processes for managing change one existing member of staff will "slot" into one of the proposed new Director posts. One of our Strategic Directors (John Mitchell) will slot into the post of Director for Communities. Four of those staff in deleted posts and one of their support staff, have requested voluntary redundancy which the Chief Executive is minded to support. Whilst ordinarily voluntary redundancies are approved by means of individual decisions by relevant Cabinet Members, to avoid the uncertainties of ad-hoc individual decisions Appendix 3 & 4 (which contains "exempt information" under the Local Government Act 1972 and therefore are on "pink papers" and must therefore be considered in closed session) contains the five separate requests for voluntary redundancy which JSC is asked to determine and relate to the posts of:-
  - Strategic Director
  - Executive Head of Housing, Health and Community Safety
  - Executive Head of Corporate and Cultural Services
  - Corporate Strategy Manager
  - PA to the Strategic Director
- 3.37 Each of these members of staff have provided long service to local government (and Adur or Worthing in particular) and total collectively some 135 years of service. Three are also entitled to access pension under our standard terms and conditions of employment.

## **Financial**

3.38 The precise individual details are as set out in Appendix 3 & 4, but collectively:

The current structure	
(with salary, national insurance and pension	
contribution of the 10 posts, plus the PA who is	
seeking voluntary redundancy) is:	£985,390 p.a.
The proposed structure	
4 directors plus new Head of Communications,	
plus 3 new Service Heads: (not all of which may	Un to 0750 500 n o
be required)	Up to £758,580 p.a.
This creates an estimated annual saving of at	
least:-	£226,810 p.a.
Though the impact of pay protection and	
pension costs for those granted VR over the	
first 3 years will initially mean a net annual	
saving of at least:	£107,100 p.a.

3.39 The total saving over 3 years will be £680,430 (with departure costs of £529,750) creating a net saving of £150,680 and a payback (in years) of 2.34. It is worth noting that after year 3 the full £680,430 per annum saving is once more effective.

## **Decision Making**

- 3.40 The proposals in this Report are primarily intended to ensure Adur and Worthing Councils have the officer leadership they need over the short and medium term. The Councils deserve the best leadership they can get and therefore an open competitive process will be followed to fill the roles identified. The proposals also create an opportunity to reduce senior management costs while enhancing key capacity in certain areas (initially by around 10% per annum, after 3 years by nearer 25%).
- 3.41 In the event that any of the "at risk" post holders were successful in competition and appointed to one of the new Director roles there are opportunities for further savings.
- 3.42 As regards the voluntary redundancies the issue of redundancy costs can be one of real public interest. To that extent this report seeks to be as explicit in the 'open agenda' as it can be in detailing those costs and how they fall. Given the sizeable length of service of each of the 5 individuals concerned (and the fact that 4 of them are entitled to access their pension) the total departure cost package is considered reasonable and all calculations fall within our standard voluntary redundancy approaches and have not been enhanced in any way due to the seniority of staff affected. The proposal provides a payback well within our usual 3 year range and provides a minimum immediate net annual saving of over £100,000 per annum.

#### 3.43 **Outline Timetable**

Adur & Worthing Councils and SOLACE begin work	Late December 2013
on microsite contents etc. (at SOLACE risk)	
JSC considers proposals and VRs	7 January 2014
Adur & Worthing Councils consider proposal to fund	13 & 14 January 2014
departure costs from reserves	
At risk letters/notices for VR issued	Mid January 2014
Recruitment formally starts	Late January 2014
Long listing	February 2014
Shortlisting and interviews	Early March 2014
Assessment Centres and on-line profiling	March 2014
Member level appointments (Joint Senior Staff	March 2014
Committee)	
References/confirmations	April 2014
Take up of posts	asap thereafter

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This timetable is indicative only and may be subject to change.

## 4.0 Legal

- 4.1 Section 112 Local Government Act 1972 provides Local Authorities with the power to appoint Officers on whatever terms it thinks fit.
- 4.2 Section 111 Local Government Act 1972 provides Local Authorities with the power to do anything ancillary or incidental to the discharge of their functions, which would include the organisation of its staff resources and the making of redundancies.
- 4.3 The terms of reference of Joint Senior Staff Committee as set out in the Council's Constitution and Joint Committee Agreement include "to be responsible for the recruitment and selection of all staff at Chief Executive, Strategic Director and Executive Head of Service level".
- 4.4 Section 4(2) Local Government and Housing Act 1989 states that it shall be the duty of the Head of Paid Service, where he considers it appropriate to do so in respect of any proposals of his with respect to any of the matters specified below to prepare a report to the Authority setting out his proposals. The matters specified include:
  - The manner in which the discharge by the Authority of their different functions is to be co-ordinated
  - The number and grades of staff required by the Authority for the discharge of their functions
  - The organisation of the Authority's staff, and
  - The appointment and proper management of the Authority's staff.
- 4.5 Section 9 Local Government Act 2000 and Local Authorities (Functions and Responsibilities) (England) Regulations 2000 determine that the approval of a Head of Paid Service's report as to management structure is not an Executive function and so must be determined by Council.

## 5.0 Financial implications

5.1 Overall the restructure will generate an initial estimated minimum saving of:-

		Adur			Worthing
		General			General
		Fund	HRA	Total	Fund
	£'000	£'000	£'000	£'000	£'000
Total cost of current structure Less: Cost of proposed structure	985	382	106	488	497
including pay protection	-808	-320	-46	-366	-442
Annual saving offered by the restructure	177	62	60	122	55
Less: Pension enhancement costs written off over 3 years	-70	-25	-19	-44	-26
Net budget saving	107	37	41	78	29

- 5.2 The detailed breakdown of these costings is on Appendix 3 in the confidential section of the report.
- 5.3 To achieve an estimated annual salary saving of £177,000, the councils will need to fund departure costs of £529,800 broken down as follows:

		General Fund	HRA	Total	General Fund
Breakdown of departure					
costs:	£'000	£'000	£'000	£'000	£'000
Redundancy costs	318.8	110.2	122.2	232.4	86.4
Pension costs	211.0	73.0	80.8	153.8	57.2
	529.8	183.2	203.0	386.2	143.6

- 5.4 The departure costs have been in calculated in line with the Councils policy for voluntary redundancy.
- Overall the restructure will meet the requirement of a 'pay back' period of less than 3 years. After the three years has elapsed, the annual saving will increase to at least £177,000, the final saving will be dependent on the salaries of both the new Directors and the new Service Heads.
- 5.6 It is proposed that the redundancy costs should be funded by the respective Councils from the reserves in proportion to the saving likely to be achieved as a result of the restructure with the HRA making a contribution to these costs. The pension costs will be funded over a 3 year period from the saving made by the restructure.
- 5.7 It should be appreciated that both the departure costs of existing members of staff and the projected salary costs are costed on a 'worst financial case scenario'.

  Members should be aware that:
  - If the departure of one of the Executive Heads is deferred until after the May 2014 elections to help support the new Chief Executive at this critical period then pension strain associated with the post will be significantly reduced.
  - The salary costing allows for 3 years pay protection for the existing Executive Heads. Clearly if any of the existing Executive Heads are appointed to the new Director posts then the pay protection element of the salary costs is removed.

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5.8 In addition to the above costs, the councils will also need to fund the recruitment consultants and the advertising costs. It is recommended that a budget of £40,000 be approved for this purpose again funded from the reserves as follows:

Breakdown of recruitment		General Fund	HRA	Total	General Fund
	01000	01000	01000	01000	01000
costs:	£'000	£'000	£'000	£'000	£'000
Recruitment consultant	30.0	10.4	11.5	21.9	8.1
Advertising costs	10.0	3.5	3.8	7.3	2.7
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	40.0	13.9	15.3	29.2	10.8

#### 6.0 Recommendation

#### 6.1 <u>Joint Strategic Committee</u> is recommended to:-

- Endorse the direction of travel for Adur & Worthing Councils contained in Catching the Wave at Appendix 1.
- Consider the Chief Executive's (as Head of Paid Service) proposed future structure for the organisation as set out in Appendix 2; note the approach and draft timetable set out in the report and recommend the approval of the structure to both Adur and Worthing Councils.
- To determine and approve the 5 voluntary redundancy applications, as set out in Appendix 4 to the report, subject to the approval of the draft structure and the release of redundancy costs from reserves, by both Adur and Worthing Councils.
- To recommend to both Adur and Worthing Councils the release of up to £358,800 from reserves to fund the redundancy costs of the individuals concerned which is to be funded as follows:
  - a) Adur District Council's capacity issues reserve £124,100
  - b) Adur District Council's Housing Revenue Account reserve £137,500
  - c) Worthing Borough Council's capacity issues reserve £97,200

#### 6.2 Adur and Worthing Councils are recommended to:-

- Approve the Chief Executive's proposed future structure for the organisation as set out in Appendix 2.
- Agree the release of up to £358,800 from reserves to fund the departure costs connected with the voluntary redundancies set out in this report
- Authorise the Chief Executive (as Head of Paid Service) to take all further necessary and consequential acts to bring the proposed approach to fruition.

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## Local Government Act 1972 Background Papers:

Appendices to this substantive report

#### **Contact Officer:**

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#### Schedule of Other Matters

## 1.0 Council Priority

1.1 Catching the Wave seeks to build upon and further develop the 4 council priorities set early in 2013. It specifically ensures that the economy, our communities and our Councils are developed in a cohesive way and a new corporate planning approach that sets out precisely how our priorities come to fruition will be developed in 2014.

#### 2.0 Specific Action Plans

2.1 Are as set out in Catching the Wave (attached as Appendix 1)

## 3.0 Sustainability Issues

3.1 There are no specific environmental sustainability issues arising from the report. However the proposals set out are very much about organisational sustainability and how we ensure that Councils grow and thrive as community leaders over the medium term.

#### 4.0 Equality Issues

4.1 Again none specific to this report, save that the Councils existing Equality and Diversity approaches will be applied (and enhanced) to ensure the widest possible pool of talents can be considered in the recruitment process. The 3 Wave Catchers are designed to benefit all sectors of the communities of Adur and Worthing.

#### 5.0 Community Safety Issues (Section 17)

5.1 None specific to this report.

## 6.0 Human Rights Issues

6.1 None specific to this report.

#### 7.0 Reputation

7.1 There will be a sizeable amount of engagement and communication with a number of external stakeholders and our communities themselves over the next few years. This will enhance our reputation as community leaders.

#### 8.0 Consultations

8.1 The Catching the Wave document itself is the product of well over 400 conversations with Members, external stakeholders, staff etc. A specific HR based consultation around the proposed changes to the senior leadership of the organisation was undertaken in mid-December and a number of issues arising have fed into this substantive proposal.

#### 9.0 Risk Assessment

9.1 As set out in Catching the Wave, perhaps the biggest risk to Adur and Worthing Councils (and the communities we serve) is to do nothing at a time when the economy is moving into a different phase and our Councils financial base is reducing. Seizing the opportunities that will come about, leading our communities and continuing to develop our organisation to be able to adapt rapidly to environmental changes are the most significant ways of reducing the impact of this risk. In reality it is about seizing opportunity not ameliorating risk.

#### 10.0 Health & Safety Issues

10.1 None specific to this report.

## 11.0 Procurement Strategy

11.1 None specific to this report, though as will be seen from Catching the Wave an enhanced strategic procurement (and commissioning) approach will be vital for the future success of our organisation.

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## 12.0 Partnership Working

12.1 A number of partners have been engaged in conversations that have led to Catching the Wave and are keen to work with the Councils moving forward.

Appendix 1

# Catching the Wave ...

(or caught in the backwash?)



Alex Bailey – 12<sup>th</sup> December 2013 Chief Executive: Adur & Worthing Councils



## Introduction

In this paper, I lay out my ideas about how we (as Councils) need to act differently in Adur and Worthing so that our places can catch the wave of potential growth that is about to wash through us – to generate wealth, to help all our communities become more enterprising and to enable more deprived areas to lift themselves out of dependence.

In order to do that, we need our Councils to operate as institutions in a completely new way – to become adaptable and entrepreneurial ourselves, so that we act as oxygen to growth rather than smothering initiative with bureaucracy and stasis.

This paper is not intended to be a complete and balanced analysis of everything our Councils are doing. There is much we are doing well and of which we can be proud. It is intended to provide focus on what we should be doing over the short and medium term. It is perhaps not the type of document that Adur and Worthing Councils are used to .... It looks at the Councils from the outside in, not the inside out.

Over my first few months as Chief Executive, I have set out to listen,

understand, question and absorb the place, the communities and the Councils of Adur & Worthing. I have enjoyed well over 400 conversations with a variety of people, listening to people telling their stories of the past, the present and their aspirations for the future. Those conversations have helped me to make sense of the place and to understand how Adur & Worthing Councils might best lead their communities forward to future prosperity, drawing on lessons from a successful past.

So, the ideas in this paper don't just come out of nowhere – they are the synthesis of the ideas and stories of the people I have met, walking each of the 27 wards in Adur and Worthing, talking to elected representatives, community leaders, businesses, the community and voluntary sector, statutory partners, our staff, central government, other Local Authorities in Sussex and beyond. This is not just my story - it is a story of our communities, our places, our people and our future prosperity.

Those conversations have taken me from the corridors of Whitehall to the stairwells of Fishersgate and this is what they have told me...

## **Catching The Wave**

It's always tempting for a new Chief Executive to think they need to 'bring in a new broom' but I think there is a much more compelling reason for acting right now to rethink ourselves and change how we operate. The Leaders of the Council and I believe that we have a window to catch an 'economic wave' - or we can just watch it roll by, lifting other communities and places around us but leaving us quietly becalmed in our old ways of operating.

This 'wave' is a combination of a number of factors:

- the recovery of the national economy
- the rapid growth in certain sectors of industry
- a multitude of businesses looking for places to relocate and invest
- a local demographic shift as young families and empty nesters move South or East along the coast toward us, looking for better priced properties, new places to work and start businesses and a safe and pleasant place to raise their families.
- The public sector spending squeeze (with a paradoxical investment in Education and Further Education)

changing the way we do business with our partners.

There is no doubt that we are at a critical moment in the economic cycle. Most serious economic commentators suggest that the economy is likely to be growing or, at worst, 'benign' over the medium term. We know that, for a number of our key sites and projects, this is an ideal time in the cycle to take those opportunities to market to seek investment and delivery partners.

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#### Wave catchers

If we want to catch this wave, we need three wave catchers – three areas of concentrated focus – ideas that allow us to bring together skills from right across the spectrum to do the things we need to do to move our places on.

The three focus areas are:

Catching the Wave

- Supporting our wealth generators
- Cultivating enterprising communities
- Becoming an adaptive council.

As Councils, we need a set of enhanced or even new ways of operating to make our focus count and to become fully adaptive:

- Supplying or commissioning efficient, effective public services and solutions
- Providing the "Commons" to help our wealth generators
- Becoming Civic Social Entrepreneurs to support our enterprising communities
- Demonstrating that we are confident and capable leaders of our places

#### And can we catch this wave?

As Councils, we got ourselves on the front foot six years ago, in a difficult environment, by merging services and consolidating our organisations. Now, we need to get on that foot again by rethinking our role, how we do business and how we serve our places?

We are at a vital decision point. In short, do we accept the status quo and passively hope that an economic upturn will see us and our communities through, or do we ride this wave, using the strength of our past history and our understanding of what matters now to help us drive through a period of significant change?

Can we become Councils with the confidence and capacity to lead our communities to greater prosperity and self-determination by using our key strengths of the past and applying them to a 2014 context? Have we got the nerve?

I do not believe from conversations with a number of our staff, politicians and partners that we want to miss this wave. Indeed, I am heartened by a strong ambition among politicians, staff and partners to step up to the mark and provide strong and sustained community leadership. Leadership that will enable wealth creation and self-sustaining community activity as well as allowing us to provide high quality, cost effective services where we are the right people so to do or select the right partner where we are not.

I'm not naive about the size of the challenge and the responsibility upon us is a real one. But the conversations I am having with a range of individuals and organisations suggests there is a real hunger to do something different, some extraordinary opportunities and very considerable unrecognised and untapped potential across our communities (and the organisations and individuals that make them up) to lead our places to prosperous futures.

## The Wave Catchers

I'm now going to describe our three wave-catchers (wealth generation, enterprising communities and adaptive Councils) in more detail. I will track the ideas from our local past into our present and then make some propositions for the future. I have included some of what I have learned about the history of Adur and Worthing in my descriptions because I believe that, in order to understand who we are now and to think about who we will be in the future, it is essential to have a strong sense of who we were and where we come from.

Whilst Adur and Worthing share services, they are separate Councils and different communities. Their histories have some things in common and some important differences. There are also some fascinating patterns that tell us what made both places successful, prosperous and resilient and we can learn from those patterns.

## Wave Catcher 1: Supporting Our Wealth Generators

## Generating wealth: The past

People have been prospering and innovating in our locality for over 5,000 years - from the Neolithic flint miners of Cissbury, through the "grain factory" of the Romans to the Saxon fishing hamlet in Worthing. And although collectively regarded by many as a construct of the 1970s, the towns and villages that make up Adur have equally long and fascinating histories. Shoreham itself was an ancient place of seafaring and then a medieval port, bringing in trade and ideas from other parts of the world – the beginnings of our international ambitions.

In more recent times, Worthing saw the growth of 18<sup>th</sup> century tourism, bathing in the healing properties of our sea and the coming of the railway – creating mass transportation, increasing tourism and enabling a market gardening industry to get its products to market. Then came the automotive revolution and Warnes Hotel, the "motorist's mecca" harnessing the economic potential of the car.

In its turn, Adur has been the home of a huge variety of technical and creative industries: being a key centre of the UKs locomotive industry with the carriage works at Lancing employing over 2,000 men; playing a part in the early forefront of aviation technology and housing the UK's first "Hollywood" for the silent movie industry.

Both places have also had significant strategic importance, forming an essential part of our wartime defences (from Saxon to Napoleonic times, the Great War and World War II). We have held an important

strategic place on the south east coast as an essential part of the UK's defence and attack capability.

More recently, Adur industries have bucked the trend for "the UK not making anything anymore", specialising in advanced engineering, electrical engineering and aviation-based spin-off industries, at times allied to our commercial port operations. The 50s, 60s and 70s saw, the growth of small industrial estates (active and employing our population to the present day), using road networks and developing a thriving logistics industry to create prosperity. Today, we host companies like Ricardos which act as a flagship and magnet for the investment of ideas, money and talent into the area, not to mention Edwards, Pyroban, Higgidy and others - all active growing employers and supporters of local talent.

Worthing has developed in a different direction, building on the retail and tourism offer of the 1970s to become home to significant employers in science (e.g.GSK), and, until recently, a significant financial services sector. Then in the last decade, we have seen the rise of the small and high growth creative, digital and IT sectors with some global success stories such as Fresh Egg and ETI, supplementing longer term successes such as Bowers and Wilkins and newer high growth businesses like NETBuilder.

So, despite their superficial difference, much of Worthing's and Adur's prosperity for over 5,000 years has been based on

applying the scientific knowledge of the day with local entrepreneurship to create technologies and prosperity. So science, technology and creative thinking have long been in our DNA.

So far so good – but what does this all have to do with our Councils? Of course, science and technology cannot create widespread prosperity without places to locate,

effective infrastructure and a place that is attractive for potential employees and their families to live in. At its best, the local Civic role has, since the 19<sup>th</sup> century, been to support and develop the "Commons" by which innovators, scientists, technologists and a huge variety of other employers create their facilities, develop their products and get them to market.

## Generating Wealth: The present challenge

So what is next for our support of wealth generators – what do they need from us right now? Our local financial economy is at a crossroads - a number of those I have spoken to say that we are in danger of becoming "places that have gone to sleep" or having "small town ambition" - we need to wake up if we are to support new wealth producers and encourage them to locate here.

- Current business sectors: We have a comparatively small number of real wealth generators (i.e. small high growth companies creating jobs, wealth, innovation and IP, good supply chains etc.). We also have a high concentration of employment in relatively low-valueadded sectors so average earnings are low.
- Inward investment: As a place, we at times struggle to attract and sustain significant inward investment. Worthing in particular has been unable to retain its large financial services businesses or to attract adequate replacements. Our international reach is patchy.
- Sites for business. In Worthing in particular (but also in Adur), the 'cranes are on the skyline'. However, much of the development is in the residential sector rather than providing employment space which is at a premium across both places. Our employment sites are mainly well occupied and demand for office and industrial premises reasonably strong. The retail sector is more site specific but

- there are generally relatively few empty shop premises. There is limited serviced or managed workspace in Worthing and no business incubator space or Innovation Centre and a lack of grade A office accommodation.
- New land use: In Shoreham, our approach has been about using brown field land, particularly the airport and harbour. In Worthing, the economic development approach has been more about supporting indigenous small to medium-sized enterprises to grow (and attracting those looking to relocate out of neighbouring areas). The brown field potential in Adur creates a future pipeline for business locations but development opportunities for light industrial employment space across Worthing are very limited and the size and configuration of our retail units are considered by some investors to constrain the town's growth as a retail centre.
- Education and skills: We have, as yet, little University input - in a knowledge based economy, this is problematic. Whilst Adur has some University

connection through the Ricardos Partnership, it lacks the identifiable higher education presence that will help to drive us towards a more flexible economy. On the plus side, we have some very high tech advanced engineering and other innovative firms and Worthing is a significant centre of learning with a strong FE sector and some accredited University of Brighton learning offer. Considerable "upstream" investment is going into the skills offer for our young people up to FE level (a potential new Academy, school transition age changes etc. will all sharpen our skills and knowledge focus). However, we are predominantly still a low skills economy - whilst education is definitely "on the up", it's not quick enough and not yet widespread enough to meet the needs of our 21st century economy.

 Infrastructure: Road infrastructure across both areas continues to be a concern for businesses and a potential barrier to inward investment. Broadband and rail connections both require improvement.

- Regeneration possibilities: Much of our regeneration is currently 'housing based' whilst it is good to see building sites across Adur and Worthing, much of this regeneration is based upon good fortune rather than our design (Government investment in the FE sector, asset prices and the position in the economic cycle etc.), Moreover, this growth may create little in the way of longer term jobs. We need more economic regeneration outside the housing sector.
- Image/brand. Worthing, in particular, is still sometimes perceived as a place for older people, despite its rapidly changing demographic profile and commercial sector. In fact, we have seen vast population growth over the last 10 years (particularly in the key economically active 16-24 year old age group).

So this is a moment - our economy is not dead, neither is it particularly or universally buoyant. There are signs of a real demographic change with "new comers", particularly with those bringing their businesses with them. These newcomers bring not just resources, ideas and business but a new mindset and they want to see a different offer in the places of Adur and Worthing and by their Councils.

If we don't respond, there is a very real danger, in both Adur and Worthing, that the early part of the 21<sup>st</sup> century could "leave us behind". We are at times confused about what we are for and our strategic aims at a critical time in our economic cycle.

Our Leaders have a clear, shared ambition that we should be in a place to ride the wave and whilst there are several shining examples of economic stars, there are not enough. We, and our partners, have a responsibility to increase our brilliant lights if prosperity for our broader communities and future generations is to be achieved.

## Generating Wealth: The possible future

Supporting wealth generators by...

a clear focus on Adur and Worthing as "places of science, technology and creativity".

Adur and Worthing are well placed to draw on investment and talent and become a driver of the coastal Sussex economy. There is the potential for real collaboration and competition with London, Crawley/Gatwick and Brighton & Hove. At times we will wish to partner with them, at other times we will need to clearly differentiate in order to have a strong and unique proposition.

If we draw on our past achievements of turning science and technology into prosperity, we can identify ourselves as places which support industries that are seeing massive investment at a global level - advanced engineering, electrical engineering, creative, digital, IT, bio-science, nano-technology, big data etc.

We have some shining examples of where the entrepreneurial sector is doing this already. In Adur and Worthing, we are specifically "making things" using science. Very often the technologies we are creating (e.g. eco-tech sector) are genuinely world-leading gaining us reputation and inward investment.

We need more, we need strong focus on making it happen and we need it to become part of our collective psyche as public servants.

- New business sectors: We need to develop a stronger understanding of the needs of the creative, digital, IT, science and tech sectors – what they need from our places and how we can deliver it. Our offer is currently patchy and we don't have an external image that matches our existing high tech reality.
- Inward investment: We need to become places that are 'in the game' of LEPs, City Deals etc and that look for other ways of attracting significant investment capital. For example, working with others to create an investment prospectus, proactively talking to potential investors about opportunities and packaging some of our opportunities in a way that attracts national and international attention.
- Sites for business: We need to move both the Councils' development sites and those of others to market more quickly and in a way that is mindful of the strategic needs of our places rather than ad hoc and opportunistic. We need planning frameworks that support this and balance the housing/employment space dilemma. For council sites, we need a serious major projects capacity that drives critical projects to successful

- conclusions and earns us a reputation as Councils that can "do the business".
- Education and skills: We have three
   Universities on our doorstep (each with
   start-up and incubator experience) and
   we need to hear from them what would
   make Adur and Worthing attractive
   places for them to come and do
   business. We need to be clear about
   what we can offer in return.
- Infrastructure : We will only become attractive to new economy employers if we have the critical "infrastructure" they require. This goes above and beyond transport, broadband (the classic "Commons" and "digital Commons") and extends to the vital elements for attracting top talent in the creative economy. This talent looks for high quality and flexible housing, a strong vibrant and interesting cultural offer, leisure, food, retail offers and good networks to other "innovators/ideas people". These are no longer "nice to haves" but an essential part of an economic strategy. We are already making progress in these areas and in the world of the digital economy, a strong cultural or schools offer is as much essential raw material as good

broadband connectivity.

- International Reach: We need to become clearer locally (and regionally) of our approach to international markets, investment potential and tourism offer.
- Image/brand: We need to develop a new brand for the economies of Adur and Worthing. If science, technology

and creativity are our thing, then the outside world needs to be aware of this and intrigued by it. We have extraordinary natural resources of coastline, productive countryside and a national park which is matched by our human resources. We have new skills coming through, and a variety of committed partners with whom we need to develop a collective branding agenda.

## Generating wealth: What does it mean for the Councils?

- Economic development: Our internal approach to economic development needs to shift from planning based, ad hoc and opportunistic approach to a consistent clear and dedicated focus on:-
  - Attracting investment and growing our international reach
  - Economy, employment and skills
  - Regeneration
  - Driving major projects to closure (in particular the development of key strategic sites).

We will need to invest in our internal capacity to get this right. It may be about bringing in talent to make this happen, it might be about sharing resources with others with similar agendas or it might be about stopping some of our current activity. We have to inject pace - lack of capacity and a scatter-gun approach runs the risk of our missing the upside of the current economic cycle.

• Open for business : On a fundamental level, we need to make it clear that our

- Councils actively support and are open for business: local, national or international business.
- Supportive procurement: We need to build relationships and revisit our procurement methodologies to ensure that local SMEs are able to compete.
- Understanding local businesses: We need to build relationships and become more familiar with local, national and international business and how it works (particularly in the senior leadership of our Councils).
- Positive PR: We need to ensure that our communications support the financial economies of both places and avoid "talking the towns down".
- Dealing with 'business toxic' issues: We need to quickly and effectively tackle the issues that are regarded as toxic to the relationship between ourselves and local businesses parking, tourism, town centre work, traffic, etc. Rather than regarding them as intractable problems or 'the problems of others', we need to

grab them, resolve them and give the commercial sector the confidence that

they can invest.

## Wave Catcher 2: Cultivating Enterprising Communities

Walking the wards of Adur and Worthing, I have seen a rich mix of people and communities. Even within a relatively small ward, however, areas of deprivation and pockets of relative affluence lie cheek by jowl. It doesn't necessarily follow that prosperous communities are more or less socially active than those regarded as deprived. In some wards and communities there is already considerable community activity at small scale going on. In others, there is a sense of disinterest in broader community activity. There is no point in trying to force people who don't want to get involved. My experience so far is that it boils down to the people in the area, their drive, organisational abilities and openness to opportunities.

But it is also true that we as Councils can help or hinder this organic local activity. At our best we support by providing information, infrastructure, networks and skills to help community and social enterprise grow rather than creating hurdles or simply ignoring the activity completely.

## Enterprising communities: The past

We have had strong and prosperous times in our past, but the histories of Adur and Worthing have not been wholly rosy ones. At times, we have needed all the community spirit and enterprise we can muster to get us through those hard times. Our areas have endured war time disruption, economic downturns and depression with stubborn levels of deprivation among some communities.

However, right across our areas, from the early 19<sup>th</sup> century onwards, public spirited citizens have either come forward to take small scale local actions or to create civic machinery that subsequently became today's Local Government and other Public Services. They set up organisations and

networks to tackle a number of pressing social or environmental issues of the day. This community enterprise was particularly active during war time periods, the depression of the 30s and the recession of the 70s. The roots of several community organisations including the forerunners of Guild Care were laid down in the 30s depression and flourish still today. St Barnabas, Worthing Churches Homeless Project, Rotary, Albion in the Community, RAFA, Ropetackle and Adur Festival, Birdman and a wide range of community and resident's associations are all tangible examples of strong and enterprising communities in action ..... and there are many more.

## Enterprising communities: The present challenge

The social histories in Adur and Worthing (and in other parts of the UK) suggest that neither 'the State' nor 'the Market' can do everything. As Beveridge himself recognised, one of the unintended consequences of the Welfare State was a reduction of large scale community activity, social enterprise and entrepreneurship to resolve issues and problems, compared to pre-1945.

We (and our public service partners) are targeting activity in our deprived areas with some success. While having a role to play in supporting our local communities, what we most need to do is to encourage and cultivate the kind of community enterprise that served us well during our past. We need to develop and grow enterprising communities that have the ability to tackle and find solutions to social and other issues at the local level.

- Deprivation: Across both Adur and Worthing - we have areas of high deprivation (on many measures), areas of geographic isolation, low income, low skills, poor access to employment, poor health and, in relative terms, some of the most deprived areas in West Sussex. So where are we now? In some communities, deprivation levels are firmly entrenched – most measures have not improved significantly in relative terms in recent years. More recent evidence during the current economic downturn suggests that, in several areas, they are getting worse.
- Community activities: There are a range of exemplary community and voluntary sector activities (in particular community/resource bases or centres from which a variety of activities and support groups are taking place). The infrastructure is not consistent across the areas but there are some shining

- examples of great practice. I have visited several excellent community organisations which are having strong impacts of their local areas (e.g. the Northbrook Project, The Maybridge etc.). Their (often volunteer) managers are, at times, struggling to meet demand or develop in the way they need to.
- CVS: Our community and voluntary sector contains a small number of large organisations, the majority being very small. Most of the small organisations are concerned about their financial positions, particular where State funding from a variety of sources is increasingly drying up. Both Adur and Worthing have umbrella community and voluntary sector organisations though as yet there is relatively little consortium working, bidding for public services work or wide scale use of social finance.

So there is currently a huge possibility for improvement in how we as public service organisations assist, promote and enable (rather than overwhelming or crushing) local community activities.

## Enterprising communities: The possible future

Cultivating enterprising communities by...
recognising opportunities, sharing knowledge and skills
and "getting out of the way"

We are clear that, as the State (not just Councils, but all public services) start to disinvest, some of our communities are likely to fracture and struggle. This will undermine our aspiration for prosperity unless there are capable individuals and organisations who can take on some of the public services and solutions and deliver them in a different way. Most of the wealth generating businesses I talk to 'get' this – many have active CSR programmes in place already and are fighting to prevent increasing levels of deprivation in our places. Whilst the situation in Adur and Worthing is no different to a number of District and Borough Councils, some of our colleagues in Public Service Organisations in other parts of the country are moving further.

Our ambition is to develop enterprising communities across Adur and Worthing - communities of geography, common interest, of age or type etc. Communities that have the ability to 'trade their way forward', to effectively take risks, to be innovative and creative and seize opportunities. Communities where there is, active participation, self-reliance, self-determination resilience to economic or other shocks and where people have the confidence and pride to stand on their own two feet, to compete and to fully participate in community life.

I have already seen signs of those communities across Adur and Worthing. We have some large organisations (Guild Care, St Barnabas, Worthing Churches Homeless Project etc.) that have grown out of community concern and a desire for entrepreneurial activity to resolve long standing social issues. At the micro level across our wards, I am seeing examples of individuals and community organisations doing the same. Their approaches are not always easy to scale up, but here is the flame and the kindling to help light the fire for enterprising communities. The spirit of social activism is alive and well across Adur and Worthing and it requires cultivating.

- Enhanced community activity: We should be using the wisdom of our communities across a range of issues, encouraging community groups and social enterprises to provide much of what has recently come under the mantle of public services. Whether it's a cultural offer, a leisure offer, housing, community regeneration etc. our Councils are no longer the "experts" and holders of all knowledge, nor are we the only possible provider. There will be errors, there will be mistakes, some community organisations will occasionally fall over - no different from organisations in our commercial sector. Innovation, real innovation, often comes from failure and we should not be deterred by it. As yet we have relatively little community activity in the Digital space.
- More social entrepreneurs: We already have some social entrepreneurs and business people with real social interests. The demographic change is bringing new residents with interests and ideas about social entrepreneurialism into our areas. We need to connect them up, connect them to real social problems and support them to access social finance solutions where required.
- Creating new social businesses. As part
  of our role as Civic Social Entrepreneurs
  (see the next section), we will encourage
  those of our service areas that are ready
  to migrate to social business status. We
  will also prepare other services for that
  journey where we see potential.
- Self-determination. Once we have confident and able community

leadership then, led by local ward councillors, we will look at what parts of

our day-to-day decision making they can be more actively involved in.

## Enterprising communities: What does it mean for the Councils?

- Use of Localism legislation : As yet there has been relatively little use or interest in the Councils in the "Community Rights" package and some of the other enabling powers in Localism. We, as a Council, have in places often been slow to see the potential in community activity and, at times, have got into active conflict with it, even where we may be sharing common agendas. We need to understand that community enterprise in a variety of forms is of enormous value and if others can do things at a local level as well as, or better, than we can then we need to get out of the way and support them to do so.
- Actively promoting community
   enterprise: It's not about us teaching
   business skills to communities. It is
   about Local Government and Public
   Service partners not always "doing to"
   or "doing for" but "doing with" and,
   ultimately, in our decision making being
   "led by" those enterprising communities
   and their leaders. It's about using our
   investments (in grants, time and energy)
   wisely and through the way that we
   commission solutions and services.
- Being constantly vigilant for opportunities: bringing people and assets together to work on many of our areas' 'wicked issues'.
- Watering the seeds: if we are to get back some of the "pre-Beveridge" levels of social activity we need to plant seeds, cultivate the seedlings and help the saplings to grow rather than looking for

reasons why seeds shouldn't be watered.

- Using partnership vehicles and relationships: We currently have a range of formal partnerships and good relations with key delivery partners that we need to actively use to further enterprising communities from the LSP to relationships with small CVS organisations and major employers ... we must become the connector that brings the focused attention to the agenda. This includes growing our abilities to influence WSCC and other partner's commissioning approaches.
- Using public sector commissioning: We already have some good examples of co-design and co-productions of solutions in some services. In developing Wellbeing Hubs we assessed need, tested the market and commissioned a mature mixed economy of supply (with our Councils and CVSE provision managing the supply network well). In many areas, though, the progress is slow and we do not always have the understanding or skills required within the Councils. A mature and capable commissioning approach will greatly enable local CVSE (community, voluntary and social enterprise sectors) to grow.
- Using developing agendas to catch the wave: We must use new or developing policy areas to drive our enterprising communities agenda. Public Health responsibilities are an excellent example where we have engaged well with our

Director of Public Health who has commissioned the Wellbeing Hubs ... creating opportunities to influence the County-wide Public Health Strategy. Similarly, in the developing "early help" agenda (taking the Troubled Families initiative to the next stage) we are effectively influencing by bringing CVSE and families to the centre and cotraining social work professionals alongside community groups. Both are tangible examples that we can learn from and take to other services.

**Leading Enterprising Communities:** We must recognise this is an important and difficult role. Supporting, enabling, facilitating, helping to define communities (our profiles for Asset Based Community Development are an excellent start) as well as supporting and challenging our CVS to be "big, bold and effective". We need to support fledglings until they are ready to fly. We must not forget the importance of aligning small funding pots (jointly with WSCC, Social Enterprise and Big Society type funding etc.) as well as maximising the larger opportunities for Social Investment.

## Wave Catcher 3: Becoming Adaptive Councils

## Adaptive Council: The past

Since the early 19<sup>th</sup> century, we have seen Commissioners, "the Parish" and, more recently, what we recognise as modern Local Government providing the "Commons" (the common

infrastructure) for local people and businesses. The 19<sup>th</sup> century saw the development of road infrastructure with clean and paved streets, public health works and new technologies to combat the flood plain, leading to a growth of villages such as Lancing, Sompting, Fishersgate, Southwick etc.

These 'commons' enable wealth generators to create prosperity and allow communities and individuals to thrive. They also include the 'social safety net' to provide shelter and support to those families who would otherwise struggle to keep a roof over their heads or to educate their children. And it is easy to forget that they are important 'glue' in prospering communities.

In more modern times, our "Commons" activities have covered transport, housing, land use, public health, social care, waste and cleanliness of the public realm, higher and further education, leisure, cultural offer, economic development, social regeneration and tourism. Bringing us right up to date, the new Splash Point leisure centre is not just a global award winning leisure centre, but a beacon of what ambition can achieve in Worthing and the power of concerted civic action in developing "the Commons". The regeneration of central Shoreham is a similar lesson about what such focussed attention can bring to a place.

As Councils, we have adapted continually: Adur and Worthing Councils can be rightly proud of the way that a District and a Borough Council came together to improve the quality of their services and substantially reduce costs. It is estimated that up to £11million so far has been saved from this process with more to follow.

At our best, I see an organisation where

committed and skilled staff provide costeffective, high quality services - residents
have frequently spoken warmly to me of
our refuse collection, street cleansing,
beach patrol, leisure services, etc. We have
also shown that we can demonstrate
considerable Civic bravery and forward
thinking (e.g. the high design spec and
brave borrowing required for Splash Point;
the publication of the recent Adur Local
Plan for consultation - balancing the future
prosperity of the area with understandable
concerns of residents about further
development etc.).

Our new ways of working (NWoW) project, notwithstanding some technical snagging still to resolve, has seen a wiser use of our accommodation portfolio, freeing up savings. It has enabled the creation of Civic Hubs for us and partner organisations to use and, in time, we will create a technological platform from which we can grow our service offers.

At our best, we can also lead local social policy and practical interventions on the ground (e.g. Think Family). We can be skilled at dealing both with large volumes of customers and adept at turning individual complaints into opportunities to create real satisfaction with our residents.

At our best, therefore we show signs that we can build upon a proud Civic tradition and become a Council fit to lead its communities in the 21<sup>st</sup> century.

However we are not, in the judgement of many, often enough or consistently enough at our best. We are not yet the Councils either Adur or Worthing need to lead them into the future. It might just be possible to rest on the laurels of past achievements and to ride the coat tails of national policy or productive local partnerships, to continue to "Slice the Salami" until there is none left. And we could hope that the improving global economic situation, increasing local asset prices, new technological solutions and a constantly changing demographic enable us to 'muddle through'.

This isn't surfing the wave though – it's more like being caught in the backwash – being unable to shape our own destiny and carrying the risk of lost opportunity for the communities we serve.

## The present challenge

We are at an important point in our organisational history. Merging services of two authorities and the New Ways of Working Project have delivered real savings and, in some cases, notable service enhancements. However, a number of challenges (financial, resident expectation, changing demographics, technological development etc.) and a rapidly moving economic cycle require us to refocus the Council's activity.

We don't have the opportunity of 'spending more' - it's about spending more wisely and focussing our reducing investment in areas of highest impact. It's also about bringing the resources of others and the untapped resources of our communities into play. Those key challenges include .......

- Economic development and inward investment: We are not punching our weight in supporting our wealth generators. We spend time and energy in partnership activity seeking relatively small pots of Government money (often as part of competitive processes where we are not sure there will be a benefit). Significantly larger sums of inward investment are available in areas that we are not 'mining'. At times our approach is opportunistic, driven by individual micro local pressure and national or regional funding streams, rather than a strategic approach to economic growth. A number of our major projects are "stuck" and we are not yet on many "radars" for inward investment.
- Land use strategy: In Adur, we have made recent progress with a draft Local Plan at consultation stage and some clear propositions for the airport and the harbour. In Worthing there remains a lack of clarity and focus about what we are trying to achieve. There is an ambition to support SMEs and start-ups but without a strong understanding of the role of higher education/University sector or a focus on high growth and innovative business. We also need to

- shift our mind-set to think how we might use the land we as Councils own to support our wealth generators not just to maximise our rental income .... and identify opportunities for longer term revenue streams for the Councils.
- Regeneration approach: At times our regeneration approach appears to be on very local projects without having any strong vision about what we need to achieve. Therefore our energies, though well intentioned, can be a scatter gun response to funding opportunities, confusing partners and major investors and occasionally skewing our approaches.
- Supporting community enterprise I have covered the need for this in Wave Catcher 2.
- Organisational culture and resources:
   External partners and our own staff have described us as static, stagnant, solid, risk averse, bureaucratic, slow to respond and at times frustrating to talk to or deal with. Whilst I have seen some examples of excellent engagement with partners and service delivery, I have

seen too many examples of us falling short. We know that our Revenue Support Grant will reduce year on year and is unlikely to be replaced by other grants. We have some examples of entrepreneurial (and intrapreneurial) activity but this needs to become the norm if we are to ride the wave.

 Public service commissioning: With the notable exception of 'Think Family', I have seen relatively little evidence of good commissioning of community or locally based solutions which enable third sector organisations or SMEs to come together to share cost and provide consortia based approaches to public services and solutions. I've also seen little evidence that we are tapping into the potential of the social finance market to fund activities and businesses of social value. Neither the Councils nor other local public service organisations are fully utilising the potential for social enterprise and mutuals to solve longer term social problems despite the fact that we already have some social enterprises (though at relatively small scale) in effective operation.

## The future possibility

Becoming adaptive councils by... shifting resources, partnership focus, cultures and mindsets.

It is vital that we turn the "solid and stable" Council that people describe to me (both positively and negatively) into a Council that operates in a more adaptive way, understands its role in leading our Communities and knows what it should (and shouldn't) seek to do. With a reducing RSG and pressure on capital budgets, we need to rethink what we do, the services we provide, the solutions we commission and the way we engage and support others. We have to be able to adapt fast, at times fail fast and innovate fast. This is not the rather bureaucratic public service model we currently use.

In my conversations with stakeholders, I have heard good things about our organisation. We have some extraordinarily entrepreneurial services leading the way, finding ways to both provide excellent services, community solutions and improve their financial bottom lines.

However, there have also been some consistent criticisms. The table below outlines some of the more critical things our partners, stakeholders, staff and members have said about us as an organisation. Whilst painful at times to read (and unlikely to reflect the "whole truth") they nonetheless provide some important learning about how we are seen ...sadly not all mirrors reflect what we would like!

### Critical (external and internal) stakeholder feedback (Synthesis of Conversations – all points raised by several people)

#### Culture, attitude and relationships Systems and processes • Parts of our "operating systems" (the means by which we do business) have the feel of a • Some of our Civic activity and services have become stagnant. 1980s bureaucracy • We are at times unable to operate at pace, with agility, to do what we say we will do, or • We are described by outside stakeholders as inward looking, dysfunctional, often missing make rapid enough decisions. the big picture, focused on the micro. Members are left exposed by actions of officers and left to "clear up the mess". • Service boundaries or silos get in the way of intelligent solutions and, at times, individual • Stakeholders generally talk about a lack of consistent and high quality external or "professional judgements" have more importance than what counts for service users and strategic dialogue .... or inconsistent working at essential relationships communities. • Our ability to talk to communities and partners, get our messages out via • We have not been consistent in how we have approached first level service efficiency communications and engagement is weak. We don't manage our reputation well. changes • At times we push away the big, the novel, the risky even where others are offering to • Productivity is not a word consistently used or understood provide solutions for us. Our approaches to managing performance are mixed. • We are not good at managing our brand - this at times leads us to "shoot ourselves in the • Our IS and customer services infrastructure look frail and unfit for the future foot" when we don't need to. At a time when we need to work closely with our partners this is a significant risk to our credibility. • We have no consistent approach to an information architecture or how we will move the Creativity and innovation across the Councils is patchy in both designing community business into the digital environment solutions and providing services. • Some of our in-house housing stock is at an unacceptably poor standard People and skills Strategy and leadership Some senior staff are not well known outside the Council. • We are "over managed and under led" • We don't have the skills as staff to lead our communities, enable, convene, mediate and • Too often we look to our big brother and big sister (West Sussex County Council and Brighton & Hove City Council) for a lead. At our worst this can look like we have no provide confidence to others to take risks themselves. policy of our own or we too often do things because "the Government says". • Our procurement practices can seem opaque and our undertaking of Commissioning Our strategy for economic development has historically adopted a planning based undeveloped. approach which does not always work for potential inward investment or key strategic • We don't make the most of the partnership opportunities we have. partners We don't understand the digital world – what it means for us and the opportunities it will • We have not fully developed or understood the value of our cultural and tourism offers provide - "We are not yet digitally savvy" and their impact on the local economy (culture for us is about "theatres" as opposed to a Our collective commercial/entrepreneurial "nous" is not where it needs to be. broader leisure, arts, retail, sports offer to "put us on the map"). Do our people have access to the learning opportunities they need for the future and do • Although we know that we will face considerable financial challenges over the next we know how to acquire them? decade (primarily with a reduction of RSG but with a number of demographic and infrastructure challenges as well), we have not developed a strategic approach to coping with those diminishing resources • Whilst Corporate Priorities were refreshed earlier in the year, they are general rather than specific and there is not yet good understanding of what they mean, and how we bring them to fruition. (The "when and the how are missing").

## Four focus areas

To change our capacity for adaptation and our reputation, we will need to focus on four key areas of work:

- 1. Providing or commissioning efficient and effective public services and solutions
- 2. Consistently developing the "Commons" to help our wealth generators and enterprising communities thrive
- 3. Becoming "Civic Social Entrepreneurs"
- 4. Demonstrating that we are confident and capable leaders of our places

And we need to do this on a reducing financial base in order to build our capacity for innovation. I am keen that "how" we do this is a design process led not only by our senior leaders but also by our staff, who should best know the needs of our communities.

# 1 Providing or commissioning efficient and effective public services and solutions

In some areas of our business, we've learnt from approaches such as "Lean", BPR or systems thinking and made significant in-house transformations. In other areas, progress has been slower. Given that real service enhancements and tangible savings have been generated through this process we need to start by applying this 'Best Practice' universally across all service areas and create a culture of continuous improvement. Our work needs to be based on measures that assess outcomes against our key priorities as well as the satisfaction of our customers and residents. Our focus needs to be on:

- Apply a consistent Systems approach across all business areas over next 18 months: with specific targets for service and productivity enhancements and financial savings (or increased revenue generation).
- Develop a mature strategic approach to procurement: Procurement can represent up to 50% of a Councils budget. We need to develop a procurement strategy, upskill staff (potentially working with an expert partner), undertake a spend analysis and aggregate through category management, develop an asset reduction approach (with other partners), utilise technology, develop a supplier Management Plan and manage demand more effectively.
- Strengthen our Contract Management and Project/Programme: Management approaches and capacity.

• Commissioning Capacity: We will grow our capacity to use fully the potential of commissioning. Our conventional approach to sourcing - or the "make and buy" decision - has been drawn from the classic 4 areas:

"Make"	"Buy"	"Share"	"Divest"
<ul> <li>In house transformation (e.g. Lean/systems/BPR)</li> <li>Continuous improvement</li> </ul>	<ul> <li>Outsourcing to private sector</li> <li>Outsourcing to 3<sup>rd</sup> Sector</li> <li>3<sup>rd</sup> Sector or Private Sector joint ventures</li> </ul>	Shared services (e.g. CenSus) Shared Management (e.g. Adur & Worthing partnership arrangements)	<ul> <li>Transfer to community organisations</li> <li>Spin-off social business/social enterprise/Mutuals/Trusts etc.</li> <li>Devolve to district or parish</li> <li>Closure</li> </ul>

We need to be more intelligence led in how we make these decisions and ensure that our strategic drivers (particularly our desire to support our wealth generators and create enterprising communities) influence our approach to sourcing decisions. Many local authorities have adopted a Strategic Commissioning approach to making those key decisions. Commissioning is not simply procurement (though that is part of it) it asks the fundamental questions of:

- what is the need that we are seeking to address?
- who is best placed to provide it?
- does it fit with our overall strategic objectives?
- what are the untapped resources that help create solutions?
- how best do we go to market(s) or negotiate with local providers for innovative solutions?

Rather than an ad-hoc approach to make or buy (or a opportunistic one) we will strategically commission key service areas.

- New digital business models: We will explore new digital models of doing business. Some District Councils are investing in 'one technology platform' that enables them to create new services and solutions around the needs of customers and communities. Others are transferring services to "Apps" platforms. We need to identify and plan our approach and align resources behind it.
- Reviewing our assets: In looking across our asset portfolio, and as opportunities arise, we
  will seek to create new long term revenue streams to replace a dwindling RSG. We will
  seek to work in joint ventures with others to improve and use our asset base more
  strategically.
- Innovation and open minds: We will invest in innovation processes where that makes sense, focus on outcomes (not inputs) and accept that not everything works first time.

## 2 Developing the "Commons" (including the digital Commons)

We will prioritise and invest in key services that we provide, not because they're "statutory/non statutory" but because they are a fundamental infrastructure to supporting the wealth generators and the enterprising communities that we are seeking to grow. Tackling

some of the higher profile and difficult issues (parking, tourism, transport, housing and homelessness, town centre regeneration, economic development etc.) early on will be essential.

Developing (and maintaining) the "Commons" also includes an important role for "wise regulation". We have a number of vital regulatory services that need to operate intelligently to ensure both fair and consistent approaches and that support our ambitions for wealth generation and enterprising communities.

## 3 Becoming Civic Social Entrepreneurs

- Redefining our role: We need to redefine both our role and our relationship with partners
  and communities. As well as expecting private sector and community sectors partners to
  take on a more entrepreneurial approach, we must do the same ourselves. That does not
  mean doing everything it does mean that our role will be to bring together the key
  players, assets and intelligence needed in order to find sustainable solutions (via formal
  commissioning or other partnering arrangements).
- Co-designing and co-producing: Once we have identified a gap, we will co-design solutions and, at times, we will be involved in their delivery. At other times, we will step back and allow others to lead once a delivery approach is agreed. The entrepreneurial element that we need to adopt will allow us to see the potential, bring the right people together, help create a valid proposition and then know whether to lead, participate or withdraw.
- Being 'civic angels': At times we will need to be "Civic Angels", taking an approach similar to a Business Angel supporting a new venture. That might be guidance, advice and mentoring, it might be helping community organisers to create the right networks. The leadership of the organisation in particular needs to become adept in this role. I will also expect senior managers of the organisation to take on a stewarding role of certain geographic communities, working closely with the ward councillors and supporting their democratic leadership role.
- **Getting involved**: We will actively encourage our staff to participate in the activities of enterprising communities via volunteering their skills and by shaping opportunities to learn new entrepreneurial skills. We will recognise that we have as much to learn as to teach and support.
- Generating new social business ventures: We will generate new social businesses by spinning out some existing services (or enabling joint ventures). We will support the fabric and networks of social business across our areas and ensure Adur and Worthing fully uses the Social Finance Market
- Being open to community delivery: Whether it's a cultural offer, a leisure offer, housing, community regeneration etc., the Councils are no longer the "experts" and holders of all knowledge. We should be "open source" with our knowledge and information, welcoming mature co-design and participation in what we do. When we judge that communities are ready to actively lead we should enable them to do so. That applies in all of our services when we re-commission them and as a "default setting" for new investment.

- Running experiments: We need to start letting people run things where they can. We should actively set about a programme to grow the capacity and transfer the management of some of our assets to active community organisations that are ready and keen. Whether that's parks, allotments or housing estates, we will run experiments to scale, find out what works (and what doesn't) and take a proportionate view to managing risk in the process.
- Steering our partners and supply chains: When we commission and joint-commission, we will be clear that we expect our partners and delivery organisations to have a similar focus on supporting wealth generators and enterprising communities (from use of Section 106 monies, through to volunteer activities of their staff).
- Use of the Community Rights package: We will pro-actively encourage the use of the Community Rights package (and what we can do going beyond), particularly looking at our surplus and unused land assets to support and encourage the development of communities.

## 4 Demonstrating confident leadership of place

Using our democratic legitimacy, understanding of need and environment and networks of relationships, we will lead Adur and Worthing with clarity, confidence and with the ability to have "proper grown up conversations" when required. We will recognise that, whilst democratic legitimacy gives us significant influence, it does not translate into direct control over partners or communities. We can't force people to come with us, we need to encourage them and explain our approach to our future prosperity.

At times, we already lead our communities well. At other times, we miss opportunities or 'fudge' issues. Leadership of place is not easy – our political, managerial and partner relationship networks need to be better aligned and our managers better equipped to lead. Amongst the skills we will need to develop for stronger community leadership are:

- Commissioning and co-commissioning
- Convening (and being convened)
- Thinking and acting long term
- · Coping with complexity, difference and conflicting views
- Listening and engaging
- Community mediation
- Visioning (and story-telling)
- Gaining confidence in strategic and community leadership and the handling of conflict (and letting go of some of our old ways of operating).

The four focus areas are clearly not <u>all</u> that we will do. They are however, a set of co-ordinated actions that will help us maximise the first two Wave Catchers and move us to being more Adaptive Councils.

## **Catching The Wave-And Catching It Now!**

If we are going to ride the wave we need to understand 'the sea and the weather', make sure we have got the right surf board and that we are surfing in the right group.

This document pulls together a story of the changes needed - it's not a blue-print or a project plan for how we bring them about.

How do we do that:-

- Share it with partners and understand how it aids their agendas, ensuring we can work with them or understanding our differences
- Create a programme for change activity 'Catching the wave'
- Share it with our Managers and staff allowing understanding of the agenda and then encouraging co-design of local approaches.
- Create **a coalition of the willing** and the interested (inside the organisation and our external partners and communities)
- Communicate our intent and engage people in delivery
- Lose no time in making changes to our organisational ways of operating, cultures and structures.

## Where will we start?

- Leadership team: We will reshape the
  existing management/leadership
  capacity at officer level, creating a
  smaller leadership team, focussed on
  our key themes, that has the capacity
  and ambition required to Catch the
  Wave.
- Create new structures: Form follows function. We will reform our teams to reflect the key themes (rather than our current traditional functional structure), so that people can work together more effectively across professions to deliver our objectives. Our focus will be more on the outcomes we seek than the professional families of our history.
- Working with Members: We will carefully consider what 'Catching The Wave' means for elected Members. A growing community leadership role and a focus on priority areas will bring new demands, therefore a revisiting of how Members and officers jointly work together on the agenda.
- Amplifying the enthusiasts: We will unlock those parts of the organisational culture that are already home to innovators and adaptors.
- Rebasing systems for adaptation We
  will align our performance and reward
  and incentive and innovation systems
  behind the outcomes we seek. We will
  cut the unnecessary "red tape" that
  holds us back (whilst retaining what's
  needed for sound and accountable
  governance).

- Redistributing resources: We have the basis of a budget for 2014/15. We will need to revisit how we redistribute further resource in order to meet the new agenda. This may not be a dramatic redistribution but we will need to grow our capacity (in areas such as Economic Development, our Reputation and Communication, Productivity and Performance etc.), recognising we have no new financial resource.
- Rewriting our policy agenda: We will
  ensure we have a strong Policy agenda
  that links together our aspirations and is
  translated through business and budget
  planning over the longer term. Our
  policy work will drive our partnership,
  regional and national work not the
  other way around.
- Re-emphasising our partnership activity: We will ensure that the partnership activity we are engaged in (and our key partners) have the opportunity to shape our approaches going forward. From the Waves Ahead (LSP) Partnership to how we work thematically with other public service organisations we will seek to use partnerships and relationships to Catch the Wave.
- Communicating better: We will need to conduct a significant piece of organisational (and cross-community) communication to explain what we are doing and why and encourage engagement in the agenda.

## And finally ......

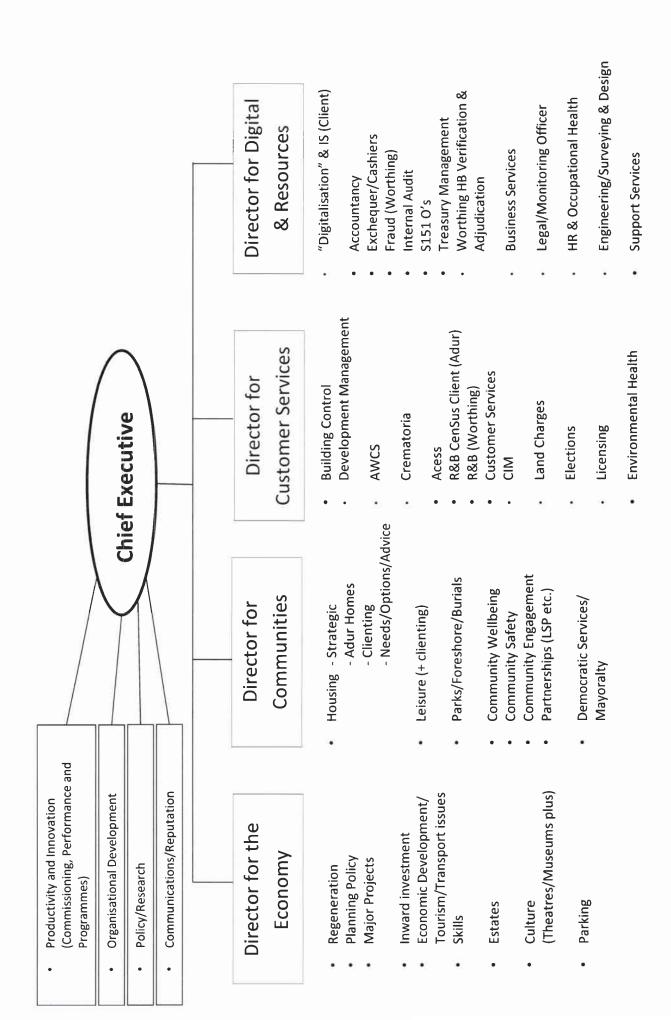
Even after a few months in Adur and Worthing, I can see a successful and prosperous future if we do the right things at the right time, catching the wave. Local Government and local governance still has an important role to play in shaping that future. The ambition of local individuals, businesses and communities; and an improving economic climate, allied with clarity about what the Council's priorities are in the future creates a powerful wave of opportunity.

I believe we should catch and ride that wave and my message would be "come on in - the water's lovely".

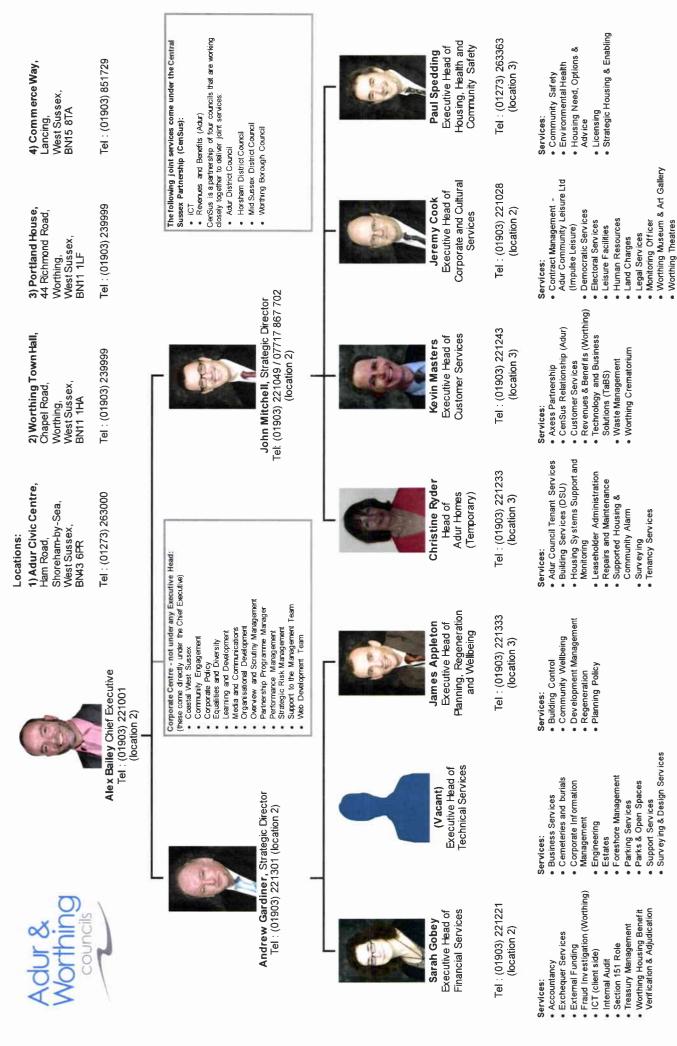


Worthing based Lewis Crathern: 4 times UK Kite Surfing Champion

## **APPENDIX 2 – Proposed new Senior Officer Structure**



## **APPENDIX 2 – Current Senior Officer Structure**



Note: All e-m ail addresses are in the format - frstname.lastname@adur-worthing.gov.uk (eg alex.bailey@adur-worthing.gov.uk)

Last updated: 19-11-2013