

Ward: All

## **“Catching the Wave” – A progress update on organisational change**

### **Report by the Chief Executive**

#### **1.0 Summary**

- 1.1 In January 2014 Members approved a series of organisational changes to enable the Councils to seize opportunities presenting to them. The endorsed approach was set out in a document “Catching the Wave” (appended for ease of reference at Appendix A).
- 1.2 This report updates Members on work undertaken over the last six months (January-June 2014), details progress made, challenges faced, identifies some of the lessons learnt and recommends further changes in the light of the experience to date. It also highlights in outline the next phase of organisational change activity required.
- 1.3 The report seeks from Members to note and comment upon work undertaken and to agree the creation of a new role of Head of Organisational Development to design, deliver and evaluate the next phase of learning, development and cultural change work required to ensure the Councils can become the adaptive organisation required.

#### **2.0 Background**

- 2.1 The Chief Executive took up his role in September 2013 and spent the first few months in a system-wide series of conversations with a variety of stakeholders (communities, businesses, partners, Members, staff etc.) to understand what they felt about the positions of both Councils and what was needed next. The outcome of those conversations forms the basis of “Catching the Wave”, an organisational change and development programme which identified three main “wave catchers”

- Supporting our wealth generators
- Cultivating enterprising communities
- Becoming adaptive Councils

These wave catchers now provide a focus for policy, change and operation.

### **3.0 The Catching the Wave Programme Board**

- 3.1 In January 2014 Full Council meetings of both Worthing and Adur unanimously agreed the report and a set of “first stage” changes. These in particular focussed upon the need to create the leadership capacity in the organisation to take forward the ambitious agenda set out, lead people and services, and to be able to work at pace whilst ensuring our long term organisational health was not compromised and that essential external relationships were sustained and developed.
- 3.2 Members were advised that a Catching the Wave Programme Board was to be created. The Board consisted of 10 individuals drawn from across the organisation at different levels of seniority, experience and from very different functional backgrounds. All shared an enthusiasm and energy for improving the organisation. The Programme Board was chaired by the Chief Executive and has over the past 6 months designed, delivered and overseen a wide ranging series of changes set out in this report.

This approach (whilst initially counter-cultural) has enabled us to:-

- Progress rapidly
- Build skills, confidence, learning and capacity in designing and delivering change across the organisation
- Minimise expenditure on external consultancy support
- Test whether a time limited Programme Board approach can be an effective vehicle for organisational change and delivery

- 3.3 The Programme Board has had five strands of focus:-

1. Organisational structures and processes
2. Operating systems
3. Communications
4. Partnerships
5. Organisational development

All five strands have been co-ordinated by the Programme Board to ensure that a variety of change interventions do not “trip over” each other; that key stakeholders are not confused; to ensure a cohesive and sustainable set of changes and to learn important lessons from the approach.

- 3.4 The Programme Board was time limited and held its last meeting and evaluation session in mid-June 2014. Whilst as this report sets out there are considerable areas still to progress, it is now considered that with a permanent Council Leadership Team (CLT) in place, that team should collectively own and drive the change activity (with sub-groups where required working with them). One of our key learning points from the Programme Board approach is that it is desirable to end them at the appropriate time rather than continuing to meet once the identified set of tasks and activities have been delivered.
- 3.5 Our overall assessment has been that we have made considerable progress in a relatively short space of time; that many of the changes have gained traction across the organisation; that we have developed our thinking for the longer term and proved that Programme Boards can be a useful vehicle (if well led, participative and

focussed on outcomes and delivery) rather than “getting stuck on the mediation of different interests”. The evaluation of the first phase of the programme recognised that we could have done more to gain the active involvement of as many staff as possible; that our communication channels were not always as effective or as appropriate as we hoped and that one of the potential down sides of using programme boards is that it can create a sense of “in and out” groups. All of these are useful organisational learnings, though our evaluation suggested that none of them substantially impeded the progress made.

#### **4.0 Progress Update – The 5 Workstreams**

##### **4.1 Structures Workstream (led by Steve Spinner)**

4.1.1 The primary role of this workstream was to quickly and efficiently bring about the creation of a new Councils Leadership Team by defining the new Director roles approved by both Councils, engaging with external search and selection consultants (SOLACE) and to conduct a rigorous Member led external recruitment process for the 4 new Directors

4.1.2 Interviews for the new Director roles were held in March leading to the recruitment of:-

- Jane Eckford – Director for Customer Service (started 30<sup>th</sup> June 2014)
- Scott Marshall – Director for the Economy (started 2<sup>nd</sup> June 2014)
- Paul Brewer – Director for Digital & Resources (started 6<sup>th</sup> May 2014)
- John Mitchell – Director for Communities (transitioned to new role from 1st April 2014)

4.1.3 The workstream also supported the recruitment of the new Head of Communication (Neil Hopkins who took up his role on 12<sup>th</sup> May 2014).

4.1.4 Over the last few months the organisation has seen the departures of several members of the previous management team including Andrew Gardiner, Paul Spedding, Bill Parsons and Jeremy Cook all of whom were thanked both for their many years of dedicated service to Adur & Worthing and also for the mature way they handled their transitions out of the organisation and helped others arrive and pick up new roles.

4.1.5 The new Council Leadership Team (CLT) has been in place since early July and the Chief Executive is investing time and energy into ensuring that we create a Team of Directors that can both lead and champion in their respective areas and share collective leadership for the whole. The development of appropriate leadership styles, relationships with Members, external partners, etc. will be critical to this.

4.1.6 Each of the new senior staff arriving have received a carefully designed induction programme providing them the “hard data” and “soft intelligence” that they need to understand their roles quickly and to become effective leaders.

## 4.2 **Operating Systems Workstream** (led by Kevin Masters)

4.2.1 This workstream has for the past 6 months sought to ensure that our approach to “getting business done” was not held back by unhelpful and unnecessary bureaucracy and that decisions could be made at pace without compromising quality of decision making. Paradoxically whilst seeking to free up decision making we have also started to add rigour to performance management and accountability of systems. The work stream was headed by Kevin Masters who has now taken up his role as Head of Productivity and Innovation.

4.2.2 The workstream had a number of strands including:-

- Developing an approach to Strategic Commissioning. Appendix B to this report sets out the proposed approach to commissioning for the Councils. In précis this is about ensuring that when we make significant decisions we have used all the intelligence at our disposal; brought to play all resources that might be available across our communities and that we have thought carefully about service redesign or de-commissioning to provide the best solutions. We intend to ensure that our commissioning approach moves from one of simply “procurement first” (i.e. a focus almost exclusively on immediate “one offs” price/cost) to one where we use our spending and commissioning influence (and that of partners where appropriate) to also support the long term health of the financial and social economies of our areas.
- Business and Service Planning. The workstream has developed a stronger approach to financial and service planning over the medium term. Whilst both Councils have established approaches to annual budgeting and service planning there were areas of concern around the integration of those plans, how they supported innovation, how they could react to emerging in-year need and how they fitted with a desire to have a stronger Medium Term Financial Strategy. This work has been supported by colleagues in Financial Services and has been supplemented by a renewed emphasis on ensuring that in-year variances (for both revenue and capital budgets) are more closely managed than has on occasions been the case.
- Constitutional Review. Over the last 6 months Jeremy Cook has led a group of staff and Members working on a review of the constitutions of both Councils. In essence this has involved looking at some of the “best in breed” constitutions for District and Borough Councils, understanding from Members those issues in the constitutions that are of most concern to them and then drafting revised constitutions for consideration by Joint Governance and Audit Committee and both Full Councils.
- Performance Management. With the lifting (around 3 years ago) of the much criticised National Performance Indicator Framework both Councils had been working with greatly reduced performance data that has meant the old Management Team have had, at times, insufficient data to be able to ensure the strongest stewardship of the organisation. Work has been on-going to develop a mature set of performance data that managers need to lead the business at all levels and to develop a performance dashboard for the Councils Leadership Team. This work is still progressing (and the arrival of the new Directors will add to the approach) with the aim of developing an open and transparent

performance data set that will enable officers and Councillors to jointly ensure oversight, accountability and confidence in service and financial performance. It is our intention in the medium term to make these data sets open to the public to provide not just an opportunity to comment or challenge but also to help design further service changes.

- Systems Thinking. *Catching the Wave* is partly about taking a new more holistic (whole system) approach to becoming adaptive Councils, and there are some well-established techniques that we can exploit to achieve that aim. For example, Lean Thinking focuses on the elimination of waste through continuous incremental improvement, and it has been hugely beneficial in terms of reducing non-value work and improving communication and cohesion in the Customer Services Department since it was introduced there in 2008. Consequently, since January 2014, the potential benefits of Lean have been introduced into other service areas including Theatres, Surveying and Design, and Accountancy. Design Thinking, on the other hand, looks at the entire system with a view to redefining the problem and redesigning the solution 'from the ground up'. The Councils have recently secured a place on the Design Council's Design Leadership Programme, the cost of which is subsidised by the Department for Business Innovation and Skills, and a half-day workshop is being arranged to introduce key staff to Design and its role as a framework for innovation.

#### 4.3 **Communications Workstream** (led by Amanda O'Reilly)

4.3.1 This workstream over the last six months has been focussing on ensuring the messages of *Catching the Wave* have been communicated to the public, our partners and to our staff.

4.3.2 Internally, this has seen amongst other channels:-

- Several "Leadership Exchange" sessions where we have brought together our most senior 120 managers across the organisation to hear directly from the Chief Executive, the Leaders and others our ambitions and approaches for the future.
- "Staff Exchanges" where a dialogue with staff across the organisation was begun and encouragement provided to contribute and participate in the change agenda.
- The Chief Executive visiting every team across the Councils to talk to and hear from staff about "hot issues", to explain the rationale for change and capture ideas.
- Extensive use of the intranet to update on progress across the *Catching the Wave* agenda.

4.3.3 Externally we have:-

- The Chief Executive (and others) have spoken to all of our key strategic partners on *Catching the Wave* and in certain key areas designed how we will co-operate.
- The principles of *Catching the Wave* have been introduced to a number of our most significant partnerships (for example the Waves Ahead Local Strategic Partnership which this Autumn will focus its annual conference on "Enterprising Communities").

- As importantly we have been seeking to show through our actions that “change is afoot” (recognising that we have had some success in this but there remains more work to do).
- As we have made changes we have ensured that local partners and Trades Unions have been informed and had the opportunity to comment, co-design or raise concerns
- The Chief Executive and Leaders have talked to a number of print, radio and other media about Catching the Wave and our future ambitions.
- A series of 10 articles were published in the Herald newspaper on the “faces of the Council” – focussing on the real people behind some of the roles we perform.

4.3.4 With the arrival of Neil Hopkins as our new Head of Communications this workstream has now been taken up as part of his role and he will be developing both external and internal communication channels to support the on-going change and development work.

#### 4.4 **Partnership Workstream** (led by John Mitchell)

4.4.1 This workstream set out to identify the partnerships that the Councils are currently engaged in, map and evaluate their effectiveness, determine where there are gaps and identify what if any partnerships may have reached the end of their “shelf life”. The workstream identified around 300 partnerships, several areas where more or different partnership activity is required (e.g. financial inclusion) and several where existing partnership activity has probably now reached the end of its useful life. This programme of activity will now become part of the substantive role of John Mitchell as Director of Communities.

#### 4.5 **Organisational Development Workstream** (led by Gill Frost)

4.5.1 This covered an area of work that was identified by Members when approving the Catching the Wave proposals as requiring time and energy. It seeks to ensure that all staff are informed, engaged, skilled and take responsibility for their own learning and development to bring about the organisational changes required. In short, to develop an organisational culture that is fit for purpose. This has historically been an area of under-investment for the Councils (both in time and finance) and was also identified by staff as an area requiring real attention. Over the last 6 months we have therefore:-

- Developed the approach of “Leadership Exchanges” (bi-monthly sessions for Managers and Leaders to meet, hear key news items, contribute their views to hot issues, learn from leaders of other organisations in the Adur and Worthing system and build important networks).
- Established “Staff Exchanges” (an open invitation to all staff on a quarterly basis to hear important developments across Adur and Worthing, ask questions and contribute their thoughts to our on-going work).
- Run “Brown Bag Lunches” (informal lunch-time learning sessions with individual staff members taking responsibility for running a session for their peers).

- Delivered a Customer Service Conference (focussing on the importance of customer services ... and how getting it right can be incredibly powerful for our customers and staff)
- Trialled “Innovation Circles” (testing a methodology for creating, developing and implementing innovations designed by our own staff).
- Introduction of a mentoring programme (a cost effective way of developing our leaders of the future and building leadership skills across the organisation).
- Revisiting our volunteering offer to ensure that our current policy and approach can meet the expectations of *Catching the Wave*.
- Revising our induction process (to ensure that staff coming in new to the organisation rapidly get the information they require to become effective in their roles).
- Delivered community engagement and service re-design methodology workshops.
- Started work on developing a broader leadership and management development approach.
- Started planning a talent management offer for the organisations.
- Reviewed our existing expenditure on training and development to ensure that we are maximising the value we get and seeking to ensure we use it become a learning organisation.
- Identified certain key skills and cultural “gaps” (e.g. digital, service design, project management and commercial business planning) where we have sizeable organisational needs that we will address over the next 6-12 months.

4.5.2 This has been a significant programme of work, has been designed and delivered “in-house” (thus avoiding considerable potential expenditure on external consultancy support) and has for the most part been received well. The Chief Executive has played an active role in developing the agenda and the delivery of several elements of it and the new CLT (and the broader cohort of senior managers) will continue to be heavily involved in ensuring we provide the learning, development and cultural interventions required.

4.5.3 To take forward the agenda over the medium term it is now necessary to create a new role of Head of Organisational Development reporting directly to the Chief Executive (though not at Director level). This role will have similar parity to the Head of Communications and the Head of Productivity and Innovation in that it will be driving cross organisational issues. It will head a small team (two other staff, currently involved in commissioning and delivery of training and development across the organisations). In the view of the Chief Executive there are several internal candidates who might be well suited to this as a significant development step for them and who have the ability to quickly pick up and deliver the role well. It is intended therefore to advertise internally first and, only if it cannot be so filled, to seek external candidates. This would have the advantage not just of providing a development opportunity for an existing member of staff, but also ensuring that the person taking up the role does so with some degree of understanding of the history and culture of Adur and Worthing Councils and thus the opportunities and challenges faced. This will mean they can be effective in role more quickly and rapidly help shape cultural change moving forward. If no such applications are received then we will need to advertise externally.

4.5.4 At the time of writing this report the role is to be job evaluated but anticipated in the region of £40,000-£45,000 p.a. salary and to be initially for a 2 year period,

reviewing at the end of that period whether it is required in that precise way thereafter.

4.5.5 The role will be funded partly from the existing Learning and Development budget (given that it will be delivering hands-on development work) and partly from the HRA given the sizeable identified need for learning and development interventions in Adur Homes (to support the work of the newly appointed Head of Adur Homes) and Director for Communities. It will therefore not require “new money” but will be a reallocation of the salary plus on-costs from existing learning and development expenditure. Given the real possibility of internal recruitment there may well be the opportunity to take further savings from any post vacated.

## **5.0 Next Steps**

5.1 At page 25 of the Catching the Wave document we set out “where we will start” and we have made progress in each of these areas (recognising in several there is plenty more to do). Following the recent local elections we can also revisit the “working with Members” section as part of our Democratic Services and Communities agenda.

5.2 Over the next six to twelve months we will be focussing attention on:-

- Each of the new Directors looking carefully at the requirements on their teams and their operating environments and determining precisely what is needed to best deliver their agendas. This assessment will be undertaken with the knowledge of the likely savings targets for 2015/16. Where necessary in Autumn 2014 those Directors will be bringing forward any recommendations for change to structures, operating systems, cultures etc. with a view to rapidly implementing those changes by the end of the calendar year. Each of those new Directors will be also building relationships with key Members, strategic partners and relevant business, community and voluntary organisations to ensure that they have the required support in place.
- As part of both our annual budget and service planning and our Medium Term Financial Strategy building, we will be considering how best to meet the policy aspirations of the Councils as set out in Catching the Wave.
- Of the three Wave Catchers identified several of the key areas for early attention are likely to be as follows:-

### **Supporting our Wealth Generators**

- How we deliver major infrastructure projects and getting key sites to the the investor market
- Reviewing our local and regional visitor economy offer
- Determining a long term strategy for parking
- Ensuring we have the land planning infra-structure required to best enable growth and inward investment where we need it and to balance appropriately with other needs
- Developing our cultural economy
- Ensuring we are best placed for inward investment, Local Economic. Partnership investment and European funding



## **Cultivating Enterprising Communities**

- Spinning out a substantial social enterprise from the Worthing Leisure offer.
- Supporting, challenging and developing the Community and Voluntary sector infrastructure.
- Advancing community engagement and community participation and community ownership in a variety of service areas
- Encouraging community development through housing, including a more targeted approach to housing delivery within Adur Homes.
- Increasing our skills at commissioning (and being commissioned) to enable us to support and sustain a dynamic and healthy Community and Voluntary sector and meet identified needs
- Ensuring that our Democratic Services team act as an important bridge and conduit between Members, the communities they serve and the Councils as a whole and investing in the role of Members as Community Leaders.

## **Becoming Adaptive Councils**

- Ensuring our existing IS/IT/telephony infrastructure is stable and fit for purpose.
- Designing our future digital roadmap.
- Ensuring our customer services remain cost effective, well targeted and are meeting our customers needs.
- That our service and business planning becomes stronger, that we develop a more robust cultural of performance management and that we use our assets to generate revenues as well as provide services.
- That we identify “commercial projects” that enable the Councils to generate long term income streams to supplement reducing RSG.
- That we take opportunities to partner with others in the innovative provision of services.
- That we embrace design principles and stronger project management methodology to support our change activity.
- To ensure that our important internal support services can operate at high quality and with pace and agility to meet on-going service needs.

## **6.0 And finally**

- 6.1 This report has sought to update Members on a wide range of activities designed to help shift our organisation and its approach to the modern public service organisation Members, customers, partners and staff wish us to become. It reports on the first steps of that approach (which is far from complete) and identifies some of the key change activity we will to work upon over the next 6-12 months.
- 6.2 Whilst the paper suggests progress has been made, the key test of this will be how our communities and partners believe we have changed and improved in both service delivery and our openness and responsiveness to innovation and joint working. The views of JSC are sought in terms of their personal perspectives (and those of others with whom they talk) as to what progress has been made.

## 7.0 Legal

- 7.1 Section 112 Local Government Act 1972 provides Local Authorities with the power to appoint Officers on whatever terms it thinks fit.
- 7.2 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.
- 7.3 Section 4(2) Local Government & 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 coordinated;
  - 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.

## 8.0 Financial implications

- 8.1 As Paragraph 1.2 explains, this report asks Members to agree the creation of a new role of Head of Organisational Development, to design, deliver and evaluate the next phase of learning, development and cultural change work required to ensure the Councils can become the adaptive organisation we require. It is proposed that this post is Grade 10, which currently totals between £56,000 and £61,800 (including employers NI and employers pension contributions). At current pay levels, assuming incremental progression, salary costs for this post would be

Grade	Spinal Column Point	Basic Pay	Employer NI Contribution	Employer Pension Contribution	Total Pay
10	51	£ 44,325	£ 3,838	£ 7,846	£ 56,009

This post will be funded pro rata to the time spent. The initial budget will be approximately 25% from Adur Homes and the balance from the Organisational Development budget. It is anticipated that Adur Homes may pick up to 40% in the future. For the first year a virement of £42,000 will be required from the Learning & Development budget and a virement of £14,000 from the Adur Homes budget.

## 9.0 Recommendation

- 9.1 The Joint Strategic Committee is recommended to:-
- Note and comment upon progress in the Catching the Wave programme for the period January-June 2014.
  - To agree the creation of the new role of Head of Organisational Development

as set out in the paper

- Authorise the Chief Executive and the Councils Leadership Team to take forward the next set of organisational changes reporting back to Members of JSC on progress in a further 6 months time.
- Approve an initial virement of £42,000 from the Learning & Development budget and £14,000 from the Adur Homes budget to the Organisation Development salary budget.

## **Local Government Act 1972**

**Background Papers:** Appendices to this substantive report

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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.

### **2.0 Specific Action Plans**

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

### **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. Any proposed structural change resulting from the "Phase 2" assessment of the new Directors will be subject to the proper consultation with all staff affected, the project of which will be carefully considered before taking forward any final proposals.

### **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.

## **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.

# 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.

### **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 :

- 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-value-added 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 21<sup>st</sup> 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).
  - **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.
- 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.

## **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.

centre and co-training social work professionals alongside community groups. Both are tangible examples that we can learn from and take to other services.

- **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
- **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 cost-effective, 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)

<p><b>Systems and processes</b></p> <ul style="list-style-type: none"> <li>• Parts of our “operating systems” (the means by which we do business) have the feel of a 1980s bureaucracy</li> <li>• We are described by outside stakeholders as inward looking, dysfunctional, often missing the big picture, focused on the micro.</li> <li>• Service boundaries or silos get in the way of intelligent solutions and, at times, individual “professional judgements” have more importance than what counts for service users and communities.</li> <li>• We have not been consistent in how we have approached first level service efficiency changes</li> <li>• Productivity is not a word consistently used or understood</li> <li>• Our approaches to managing performance are mixed.</li> <li>• Our IS and customer services infrastructure look frail and unfit for the future</li> <li>• We have no consistent approach to an information architecture or how we will move the business into the digital environment</li> <li>• Some of our in-house housing stock is at an unacceptably poor standard</li> </ul>	<p><b>Culture, attitude and relationships</b></p> <ul style="list-style-type: none"> <li>• Some of our Civic activity and services have become stagnant.</li> <li>• We are at times unable to operate at pace, with agility, to do what we say we will do, or make rapid enough decisions.</li> <li>• Members are left exposed by actions of officers and left to “clear up the mess”.</li> <li>• Stakeholders generally talk about a lack of consistent and high quality external or strategic dialogue .... or inconsistent working at essential relationships</li> <li>• Our ability to talk to communities and partners, get our messages out via communications and engagement is weak. We don’t manage our reputation well.</li> <li>• At times we push away the big, the novel, the risky even where others are offering to provide solutions for us.</li> <li>• We are not good at managing our brand - this at times leads us to “shoot ourselves in the 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.</li> <li>• Creativity and innovation across the Councils is patchy in both designing community solutions and providing services.</li> </ul>
<p><b>People and skills</b></p> <ul style="list-style-type: none"> <li>• Some senior staff are not well known outside the Council.</li> <li>• We don’t have the skills as staff to lead our communities, enable, convene, mediate and provide confidence to others to take risks themselves.</li> <li>• Our procurement practices can seem opaque and our undertaking of Commissioning undeveloped.</li> <li>• We don’t make the most of the partnership opportunities we have.</li> <li>• We don’t understand the digital world – what it means for us and the opportunities it will provide – “We are not yet digitally savvy”</li> <li>• Our collective commercial/entrepreneurial “nous” is not where it needs to be.</li> <li>• Do our people have access to the learning opportunities they need for the future and do we know how to acquire them?</li> </ul>	<p><b>Strategy and leadership</b></p> <ul style="list-style-type: none"> <li>• We are “over managed and under led”</li> <li>• Too often we look to our big brother and big sister (West Sussex County Council and Brighton &amp; Hove City Council) for a lead. At our worst this can look like we have no policy of our own or we too often do things because “the Government says”.</li> <li>• Our strategy for economic development has historically adopted a planning based approach which does not always work for potential inward investment or key strategic partners</li> <li>• We have not fully developed or understood the value of our cultural and tourism offers and their impact on the local economy (culture for us is about “theatres” as opposed to a broader leisure, arts, retail, sports offer to “put us on the map”).</li> <li>• Although we know that we will face considerable financial challenges over the next 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</li> <li>• 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”).</li> </ul>

## 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 style="list-style-type: none"> <li>• In house transformation (e.g. Lean/systems/BPR)</li> <li>• Continuous improvement</li> </ul>	<ul style="list-style-type: none"> <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>	<ul style="list-style-type: none"> <li>• Shared services (e.g. CenSus)</li> <li>• Shared Management (e.g. Adur &amp; Worthing partnership arrangements)</li> </ul>	<ul style="list-style-type: none"> <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 all 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





# **Becoming Adaptive Councils**

***Strategic Commissioning and Service Re-design  
– a Way Forward***

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## **Introduction**

The discussion document 'Catching the Wave' (Alex Bailey, Chief Executive, December 2013) explains how Adur and Worthing Councils need to act differently in order to benefit from the wave of economic recovery that the country is now experiencing. In particular, the report identifies three areas of concentrated focus that will enable the Councils to become more adaptable and entrepreneurial, and to shape a more prosperous future for their communities:

- Supporting our wealth generators
- Cultivating enterprising communities
- Becoming adaptive councils

This report contributes to the new policy agenda by suggesting a new integrated approach that could eventually combine strategic commissioning, business planning, asset rationalisation and commercial development in a 'whole system solution'. In particular, it describes a more integrated and agile approach to supplying or commissioning efficient, effective public services and solutions in Adur and Worthing. It also addresses the need for more community or locally based solutions, and seeks to release the potential for social enterprise and enterprise to be engaged in the solution of social problems.

## **Why do the Councils need a more integrated approach to Strategic Commissioning and Service Re-design?**

The Councils face further reductions in central government grant and continuing change on several fronts: economic, demographic, social, legislative, environmental, technological and political. We can reduce our vulnerability to these pressures and gain control of our future financial sustainability. This means retaining a strong public service ethos, putting the customer at the centre of what we do, and improving how we operate internally by:

- Fully understanding current and future costs
- Reducing unnecessary costs and streamlining processes
- Generating income by charging and trading
- Being risk aware rather than risk averse
- Developing partnerships with the commercial and voluntary sectors
- Delivering some solutions or services in different ways

## **What is strategic commissioning?**

Strategic commissioning has been defined in various ways, including:

- the strategic activity of identifying needs, allocating resources and procuring providers of solutions or services to best meet those needs within the available means
- the process of deciding how to use the total resources available in order to improve outcomes in the most efficient, effective, equitable and sustainable way
- securing the solutions or that most appropriately address the needs and wishes of individual service users, making use of market intelligence and research, and planning accordingly

Such broad definitions mean that commissioning is a lot more than just procuring, contracting and tendering. It incorporates the full range of activities and processes that go towards achieving improved outcomes for the Councils' communities. A council-wide approach to commissioning is crucial in delivering locally appropriate outcomes by making best use of the Councils' ability to influence and shape services. It allows us to transform how public services are delivered by joint commissioning with a range of stakeholders including service users, staff and other public bodies, and in turn be more effective at meeting needs and achieving higher levels of productivity.

Commissioning requires public bodies across a community to step back and take an overall view of their role in the locality. They need to take a long-term approach to commissioning services that harnesses the expertise of all types of providers. The leadership required is about imagining and delivering new solutions that may not yet exist, drawing on the expertise of local partners and engaging in effective partnerships.

There are some good early examples of commissioning in Adur and Worthing from which the rest of the organisation can learn.

### ***Fishersgate Voice:***

*This is a small community-led project developed as part of the Think Family Neighbourhood programme, using external funding. The promotion of Fishersgate and its residents' skills were identified as key needs. Using the principles of co-design, a project was developed with residents which led to the formation of a newly constituted group 'Fishersgate Voice' with the purpose of developing a local community newspaper and online presence. A service specification was developed through an iterative process with the group and the project has just started. However, problems have arisen with the lack of suitably short and succinct contract documentation to enable the Councils and the Group to formally agree to the funding arrangements, which involve less than £5000.*

**Cancer Awareness:**

*This commission is worth over £60,000 per annum as part of the Wellbeing Programme. The project specification was developed with a strong emphasis on evidence-based practice. This involved using available research and evidence and mapping local needs around cancer. The project built the principles of social marketing into the approach, using and developing local volunteers (with experience of catching cancer early) to go out and share their understanding with others in the community. The purpose is to raise awareness of cancer signs and symptoms and reduce cancer related deaths.*

**What is service re-design and why is it important?**

The term 'service re-design' is used here to describe the processes involved in scrutinising existing service delivery models and developing new approaches, using 'design principles' that start with the citizen and user. It is important because it provides opportunities to re-think what the Councils do, the services that they provide, the solutions that they commission, and the ways in which they engage and support others. There are five principle options for the delivery of Council services:

- Stop doing it (decommission)
- Buy it from others (outsource)
- Do it for others (be commissioned)
- Do it with others (partnership, joint venture, co-production)
- Do it ourselves (direct delivery)

**What is the purpose of a commissioning strategy?**

It provides a single overarching approach for how the Councils and others commission solutions and services. It focuses on outcomes for our citizens and commissioning for internal services to support front line delivery that provides excellent value for money. It also provides clarity around what we mean by commissioning, procurement and contract management; sets out our commissioning vision and objectives, and our approach for achieving these; focuses on meeting local needs and delivering value for money, and defines the basic principles which should support all our commissioning decisions

The way we achieve all this is by becoming intelligence led commissioners of solutions and services, focusing on the needs and priorities of our communities now and in the future, and enabling partners and individuals to deliver solutions and services that enhance outcomes and deliver better efficiencies.

## What do we aim to achieve?

The development of this strategy is an important step in our ambition to become skilful commissioners, for the following reasons:

- It promotes a framework to support all our services in adopting a consistent, comprehensive and robust approach to commissioning activity, encouraging long term strategic planning.
- It promotes commissioning, procurement and contract management as drivers for the transformation of our services and encourages challenge to existing methods of service delivery
- It positively contributes to delivering efficient and quality improvements through commissioning of excellent and cost effective services
- It sets out how we will work with partners to develop our strategic commissioning and procurement approach across service areas

*“To become Adaptive Councils we will become more intelligence led in how we make commissioning 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. Rather than an ad-hoc approach to make or buy (or an opportunistic one) we will strategically commission key service areas.” (Alex Bailey, Chief Executive of Adur and Worthing Councils, December 2013).*

- It promotes responsible procurement in terms of addressing social, economic and environmental issues, local sustainability, and equality and diversity.
- It provides transparency around the Councils’ commissioning approach and objectives, and its plans to achieve these, acts as a reference point to check progress against meeting these objectives, and enables us to address the significant changes required to become consistently high quality intelligence led commissioners.

## Commissioning functions at three levels



### **Strategic commissioning**

This refers to the over-arching commissioning intentions for a population and to whole service commissioning for a local area.

### **Operational commissioning**

This refers to the aggregation of a set of similar needs into contracts or Service Level Agreements for services through strategic partnering or competitive tendering.

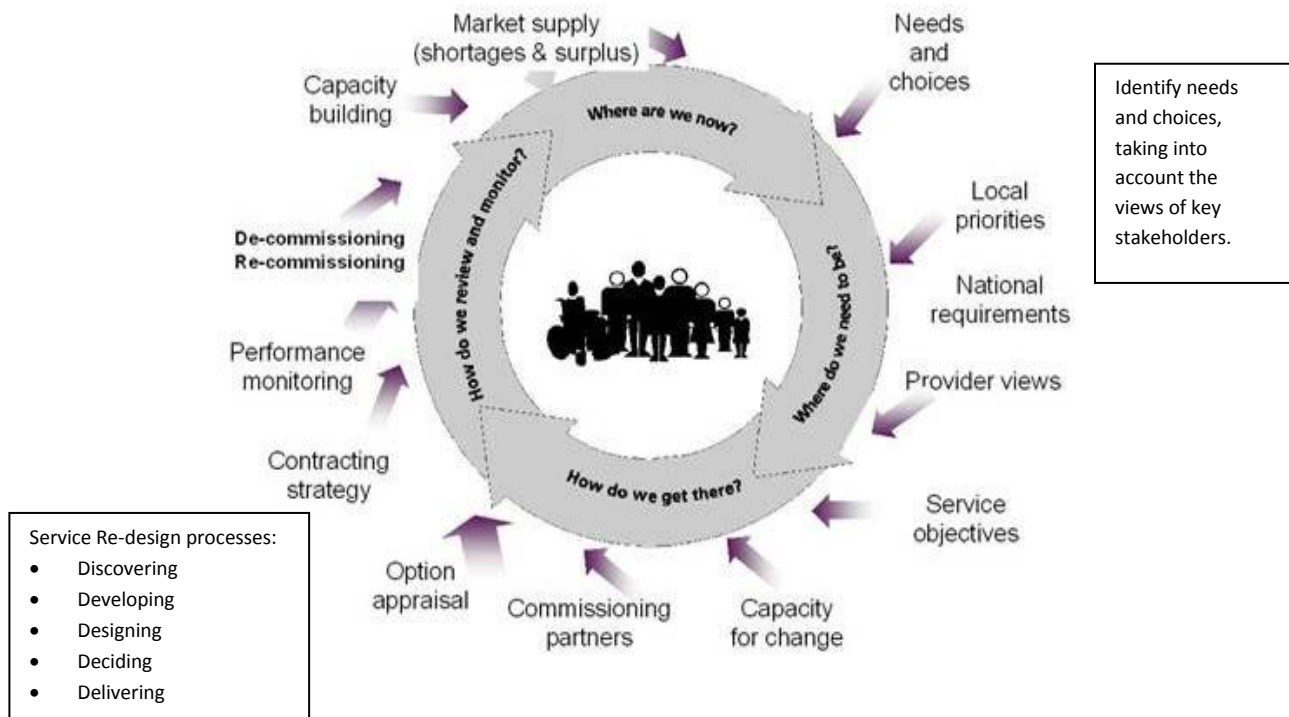
### **Individual commissioning**

This refers to the brokerage of an individual service tailored to a particular need. It can also refer to sourcing and purchasing by those with self-funded services.



## The Commissioning Cycle

Effective commissioning forms a continuous cycle of action and improvement, typically starting with a needs assessment looking at the issues at hand and the possible interventions. It moves onto an appraisal (or design) of how to deliver these interventions, leveraging existing assets and bringing new assets to the table through strategic partnerships. It embraces procurement and contract management activity, and looks at whether interventions are successful and what lessons can be learned for future activity. The whole process is often referred to as the commissioning cycle:



### Procurement and contract management

Procurement is the process by which we contract with other organisations or businesses to obtain the goods and services required to fulfil our objectives and meet local needs in the most timely and cost effective manner. It forms one stage of the commissioning cycle and represents one of the ways in which we can choose how to deliver our commissioning intentions.

Contract Management is the ongoing management of contracts entered into with suppliers or partners for the provisions of works, goods or services. It includes negotiating the terms and conditions in contracts and ensuring compliance with the terms and conditions, as well as documenting and agreeing any changes or amendments that may arise during its execution. Contract management also forms part of the commissioning cycle and is important in ensuring that the services arranged actually deliver the required outcomes.

## **Principles and processes**

A key principle of the model is that the commissioning process should be equitable and transparent, and should achieve required outcomes. The four key stages of the process are:-

**Analyse** – understanding the purposes of the services involved, the needs they must address and the environment in which they operate. This element of the commissioning cycle involves activities such as:

- Clarifying the priorities through reviewing national guidance, local strategies and policy statements, and relevant legislation
- Undertaking needs analyses
- Involving users and potential solutions providers
- Mapping and reviewing existing and potential services across the District and Borough to understand provider strengths and weaknesses
- Identify opportunities for innovation and improvement
- Identifying resources needed and risks involved in implementing change and/or continuing with the status quo

**Plan** – identifying the gaps between what is needed and what is available, and planning how these gaps will be addressed within available resources. This element of the commissioning cycle involves activities such as:

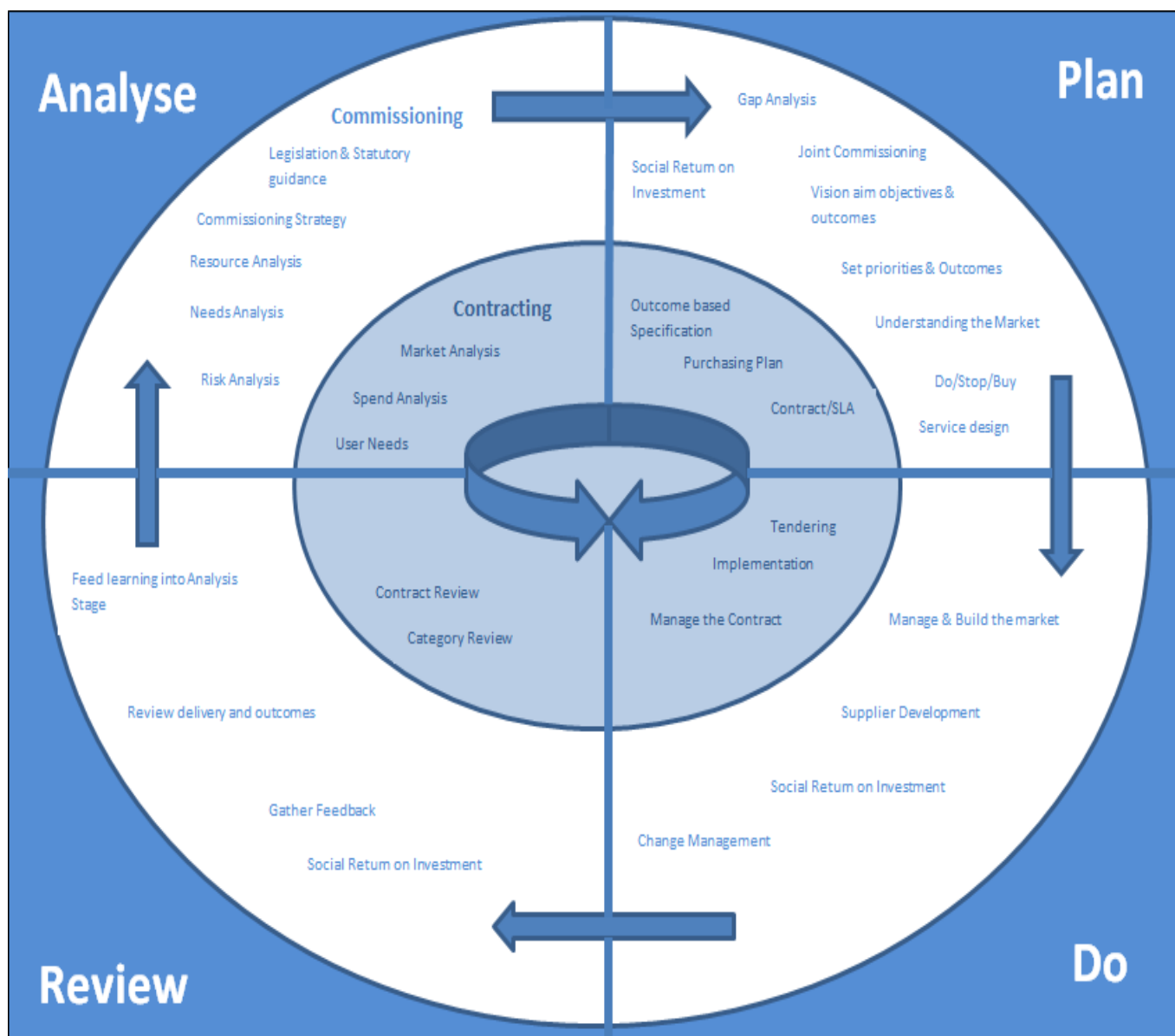
- Undertaking a gap analysis to review the whole system/service and identify what is needed in the future
- Writing a commissioning strategy or report which identifies clear service development priorities and specific targets for their achievement
- Designing, co-designing or re-designing solutions and services (using the design principles outlined below) to meet needs

**Do** – ensuring that the services or solutions needed are delivered as planned, in ways which efficiently and effectively deliver the priorities and targets set out in the commissioning strategy/report. This element of the commissioning cycle involves activities such as:

- Supply management and capacity building to ensure a good mix of service providers, offering services users an element of choice in how their needs are met
- Developing good communications and effective relationships with existing and potential providers
- Purchasing and contracting, and de-commissioning of services that do not meet the needs

**Review** – monitoring the impact of services and analysing the extent to which they have achieved the purpose intended. This element of the commissioning cycle involves activities such as:

- Pulling together information from individual contracts or service level agreements
- Developing systems to bring together relevant data on finance, activity, outcomes, and user experiences.
- Analysing any changes in legislative requirements, service user need and reviewing the overall impact of services to identify revisions needed to the strategic priorities and targets



## **Design Commissioning**

Design is integral to the DNA of each and every public service. Design is not a matter of surface appearance. Badly designed services are likely to be inefficient and ineffective. **Design thinking** starts with the citizens and service users. In order to deliver efficiencies and improve social well-being, we need to fully understand customers' needs and behaviours, and the context of the services that we deliver.

The design element of the commissioning process emerges from the initial assessment and planning process. Design thinking helps to overcome structural problems in policy and service provision. Rather than patching solutions disjointedly, design thinking looks at the entire system to redefine the problem from the ground up.

It starts by understanding the customer requirements to ensure that the solutions are appropriate and waste is avoided. Design methods offer effective ways of deciphering which teams, methods and departments are relevant to a problem and how best to engage them in partnership. Design, and the efficient use of processes such as the Lean methodology, is a source of competitive advantage and can help organisations to transform their business performance. Design focuses on services and system approaches rather than materials. It is about what the organisation does rather than what it has. It is about recognising the needs of the customer, ensuring that time and money and staffing resources are not wasted on anything extraneous, and utilising latent assets such as the communities themselves.

### **Key Considerations:**

- ✓ Redesigning individual services to be more user-orientated and to find cost-savings
- ✓ Redesigning what the organisation does as a whole, creating cultural change, moving towards more vision-led and collaborative ways of working
- ✓ Offering new modes of public engagement, or developing the ones we already have to find out what people want, need and are more prepared to do themselves, and to bring citizens on-side so that decommissioning or outsourcing isn't a painful or politically damaging process
- ✓ Joining up strategy with delivery – using lessons learnt from delivery to inform and update policies
- ✓ Empowering employees to create change themselves, increasing staff capability and happiness
- ✓ Providing routes for the Councils to be more entrepreneurial, generating revenue from entirely new service offers or value propositions

## **Becoming intelligence led commissioners**

Becoming intelligence led commissioners is a medium to long term aim; the transformation will not happen overnight. It is a cultural shift that will require us to develop new ways of working within the Councils as well as with our local communities, partners and service providers.

Councils that are good at commissioning do the following things well:

- Understand and challenge needs and priorities
- Challenge existing (and review alternative) service delivery models
- Decommission services where appropriate
- Focus on outcomes
- Influence and have greater impact on the market – encouraging diversity of providers, building capacity and sustainability in the third sector
- Use their purchasing power to promote the public sector equality duty
- Commission in partnership and promote sustainable and responsible procurement
- Co-commission, co-produce and co-design

### **Understanding and challenging needs and priorities**

Meeting local needs, including anticipating future needs, should form the basis of all commissioning decisions to ensure a strategic approach. Customers, service users and suppliers may be a part of this discussion. Understanding current levels of service provision, spend, patterns of demand and use over time, is also vital to make decisions about what services should be delivered in the future.

#### ***Key Considerations:***

- ✓ Is this product or service needed and if so why?
- ✓ Does it support our wealth generators and help to cultivate enterprising communities?
- ✓ What is happening to local needs?
- ✓ Who uses it and will the requirement change in the future?
- ✓ What are the legislative or regulatory requirements?
- ✓ What is currently being spent on products and services?
- ✓ What resources are available to meet future needs?

### **Challenging existing service delivery models and reviewing alternative approaches**

Once a need for a service has been identified it is important to review and challenge current service provision where it exists to ensure continued value for money. Consideration should be given to any changes in the policy framework or market that may open up new opportunities.

**Key Considerations:**

- ✓ Does the current service satisfy our strategic aims, and deliver the required outcomes?
- ✓ Does the current service model deliver value for money?
- ✓ What is the Councils' policy on usage and how consistently is it applied?
- ✓ Is there scope to collaborate with others?
- ✓ How effective is current service provision and market?
- ✓ Does the market offer competition, choice and diversity?
- ✓ Should the primary relationship with the provider be with the Councils or with self-funders exercising choice and control?

**Commissioning for outcomes**

We recognise that part of being competent commissioners means moving to commissioning for outcomes - in order to give greater opportunity for providers to arrange their services in more flexible and innovative ways, the focus should be outcomes instead of the traditional approach to specifying inputs and outputs. Agreed outcomes need to be set out as early as possible in the commissioning cycle and considered at every stage from service user involvement to the final review of the impact that the service has made, so that decisions can be made on more than price alone.

**Key Considerations:**

- ✓ Where are the Councils now? Where do they need to be?
- ✓ How will contract or service provision be designed to meet future changes in need?
- ✓ How can specifications be designed to enable the Councils to secure service improvements and efficiencies?
- ✓ How can outcomes be measured and contract performance managed?

**Decommissioning**

Decommissioning is part of the commissioning cycle and should be undertaken in a planned way to ensure that the most effective services are delivered, making best use of the resources available. In some instances, service reviews will lead to the process of ending a service or part of a service and a smooth transition to a new or alternative service delivery model in order to achieve the right outcomes for people. This will enable us to invest in new services in accordance with our strategic commissioning plans.

**Key Considerations:**

- ✓ Is the service still required?
- ✓ How efficient and effective is the current service delivery model?
- ✓ Have alternative service delivery models been identified

## **Engaging with “the Market”**

The Councils and our partners have a key role in shaping the financial and social economy through our Commissioning Strategy and in its wider community influence in the Adur and Worthing area. We aim to develop relationships with our suppliers that create mutually advantageous, flexible and long term relations based on continuous improvement and financial savings. There are five key approaches to market engagement:

- Developing a deep understanding of key markets
- Engaging with and shaping markets, or creating and developing them
- Encouraging supplier diversity
- Working in partnership with suppliers; and
- Brokering a dialogue between market suppliers and service users

### **Understanding the market**

Improved commissioning and procurement requires a good understanding of what the market can offer. We will analyse and research supply markets for different services to ensure we have a good understanding of capability and capacity issues.

We will also maintain a dialogue with potential providers, including organisations from the community and voluntary sector, aided by the Councils’ Procurement Strategy, which promotes market engagement and the use of supplier and contract management. They can be co-commissioners too.

Through market supplier analysis, we will develop a strategic market development for the products and services our organisations consume. It will aim to remove supply vulnerability as much as possible and maximise our potential buying power.

Sophisticated portfolio purchasing tools will be employed to facilitate smarter sourcing strategies, helping us to determine the types of relationships we should be implementing with our suppliers, and to map our strengths and vulnerabilities to suppliers’ positions in the market. Some of these applications deliver accurate and timely information on spend and contract compliance, while others constitute fully integrated e-sourcing tools.

### **Market shaping**

Effective commissioning also involves working closely with the market to help shape it, so that it is better able to meet the needs of our service users. Sometimes this means helping markets to recognise specific and diverse needs that are not immediately apparent but have emerged as a result of a strategic needs assessment or because service users are dissatisfied with the existing delivery model.

### **Encouraging diversity of providers**

Supplier diversity is essential for a competitive market that can meet the Councils and their service users' requirements and provide value for money. We need to interact with the market and our suppliers in particular, to understand their views and what enables and encourages diverse parts of the market to bid for work with the Councils. At the same time, we need to ensure that our relationships with suppliers are mutually productive and that goals are shared.

### **Commissioning in partnership**

The Councils recognise that successful commissioning and procurement can develop and change supply markets and affect behaviours. To manage this effectively we need to pull together, and act jointly and collaboratively. We acknowledge that working with other public bodies can deliver best value especially in terms of;

- Aggregation of spend to produce economies of scale
- Use of wider experience and greater expertise; and
- Procurement efficiency (avoidance of multiple procurements)
- Better knowledge of needs and markets
- Greater spread of risk
- Increased opportunities for innovation

We would like to see a consistent commissioning approach developing across our neighbouring authorities and we will work with them to ensure our strategies are aligned and that we develop common commissioning behaviours that deliver better outcomes.

We will seek to benchmark and procure in collaboration or through existing consortia arrangements wherever they are available and appropriate and represent best value for money. Our procurement function will seek to ensure that contracts put in place will be open for use by, and provide benefit to, other authorities.

### ***Key Considerations:***

- ✓ Can greater efficiency gains be achieved through a partnership approach?
- ✓ Can we improve our spending power and our relationship with suppliers through collaboration?
- ✓ How do we challenge and innovate to get the best outcomes (in some parts this is not yet a particularly innovative organisation)
- ✓ Are there best practice examples?

### **Working in partnership with suppliers**

The strategic objective of partnering is the delivery of better services to citizens through the creation of sustainable partnerships with suppliers in the public, private, social enterprise and



voluntary sectors. We are committed to working with our suppliers in partnership to establish long-term relationships, based on trust and mutual support and endeavour to share risks. We will encourage suppliers to help design innovative services through our strategic commissioning and procurement approach.

### **Brokering a dialogue between market suppliers and service users**

We need to get intelligent about what people want. We need to ensure that what customers are saying to front-line staff about the services we provide is informing what strategic commissioners are doing to develop the market. It may be that feedback gives us information on things that the markets do not currently provide at all.

#### ***Key Considerations:***

- ✓ Is the market currently providing the required service?
- ✓ Has the market changed since the service was first set up?
- ✓ Is there healthy competition in the market?
- ✓ Can we develop the market further to provide greater value for money?
- ✓ What capacity is there locally to deliver?

### **Building sustainability in the Third Sector**

Adur and Worthing have a diverse range of Third Sector organisations which undertake many different roles from targeted outreach work with particular vulnerable groups in the community, to the delivery of open parks and spaces. The Third Sector plays a vital role in promoting social inclusion, innovation, building trust and tailoring services that better reflect local needs and preferences; it adds value by drawing in volunteers and attracting external funding. At its best, the Third Sector has the capacity to deliver good (and sometimes the best) outcomes, achieve better value for money and secure wider social and economic benefits for the area. The Third Sector is not a homogeneous community. Its members range from small community groups with little experience of commissioning practices to local arms of major national charitable organisations.

There are major barriers that have unnecessarily prevented some Third Sector organisations responding positively to a commissioning led environment. These are:

- Lack of appreciation by commissioners of the range of services that can be provided through the Third Sector market and the unique qualities that the sector offers
- The construction and packaging of contract that tend to favour the largest types of organisations with significant existing infrastructures
- Timescales for responding to commissioning opportunities that are often problematic for smaller Third Sector organisations with limited back-office capacity

- Pre-tender thresholds that are onerous for Third Sector organisations and favour larger more established private sector organisations with significant track records
- Limited acknowledgement of the concept of social capital and how to recognise its value through the procurement process
- Over reliance on prescribed method statements and the absence of outcome-based approaches that leave limited opportunities for the innovation characterised by the Third Sector.

We will work closely with a wide range of Third Sector representatives to address these barriers through early engagement with potential providers when we are considering and shaping our commissioning plans and priorities. We will be realistic about the time required for the voluntary sector to respond, we will adopt flexible approaches to allow for innovation and creativity, we will recognise local social impact in the tender process, and create a more streamlined and proportionate tender process.

***Key Considerations:***

- ✓ Should the community play a role in providing this service for themselves?
- ✓ Does the Third Sector have equal access to the commissioning opportunity?
- ✓ Do local voluntary and community organisations and those from protected group have the capacity and capability to compete?
- ✓ Is the procurement process proportionate to the service being commissioned?
- ✓ Does the commissioning process allow for innovation and creativity?
- ✓ Can we use our sourcing analysis to support proactive capacity building where the voluntary sector might fill essential gaps in the market?

**Promoting service user and citizen involvement in commissioning**

The concept of user or citizen involvement is important to our approach to commissioning. By involving people who will use the commissioned service it is hoped that such commissioning will result in high-quality services that adequately reflect user need. However, although it is generally assumed to be ‘a good thing’ people are not always clear what it means in practice.

The ways in which users of services can improve the quality and effectiveness of commissioning include:

- Informing needs assessment processes
- Helping commissioners build up knowledge of local markets and choice
- Providing feedback into quality assurance processes and activity
- Providing insight into uptake and accessibility of services; and
- Highlighting areas that cross traditional service sector boundaries and contributing to discussion in areas that transcend particular interests

Service users and citizens may simply want their voices to be heard by commissioners and providers by getting involved in consultations, whereas others may be interested in holding bodies to account through elected representatives.

### **Things that commissioners should ask themselves:**

- At what points in the process can we involve service users and citizens?
- What can users tell us about current use, markets, satisfaction levels, quality and reliability?
- How can we involve them in helping us to determine future anticipated need, including looking at new models of delivery?
- Who can represent service users for the purpose of shaping these services – specific to forums or a wider public?
- What adjustments need to be made to involve difficult to engage people or those with additional needs (such as people with learning disabilities) so that we get beyond the ‘usual suspects’?
- What additional support, coaching and information do these people need?
- What is reasonable in terms of what can be asked from volunteers (e.g. involvement in lengthy technical contract evaluations)?
- Have we put in place mechanisms to respect their contribution by informing volunteer users of decisions (based on their input) and thanking them?

### **Our commissioning commitment**

In order to become more intelligence led in how we make our commissioning decisions and to ensure that we support our wealth generators and create enterprising communities, we will strategically commission key service areas by:

- Taking an outcomes-based approach to commissioning
- Understanding the needs and priorities of our citizens, now and in the future and clearly specify our requirements
- Ensuring that value for money and achieving sustainable efficiencies are the foundation of our commissioning solutions
- Involving customers and service users in the planning, design, monitoring and evaluation of services
- Ensuring commissioning takes place at the most appropriate level
- Continuing to be honest about financial and legislative frameworks in which services are to be provided
- Supporting market developments to ensure there is a mixed economy of commissioned services, enabling partners and individuals to deliver services where they can and enhance outcomes and efficiencies

- Building the capacity of our local third sector and small businesses to ensure they have equal opportunity to participate in commissioning
- Promoting investment in the local community through all stages of the commissioning process
- Working jointly with other relevant local and regional commissioners to best secure positive outcomes and value for money for our residents

## **Social Return on Investment**

Social Return on Investment (SROI) is a principles-based method that enables commissioners to identify and value any important factors that are currently excluded from the price of the service, i.e. environmental and **social value** relative to resources invested. It means that our commissioners may assess and value actual or potential outcomes from an activity and use this analysis to inform budget setting, strategic planning, selection of commissioning mechanisms, and evaluation of performance.

SROI provides a means to:

- Map the full range of outcomes of service and consider other relevant outcomes
- Value these outcomes in order to make a comprehensive and informed assessment about value for money
- Frame the discussion on where these outcomes are relevant and how they may be included in commissioning

## **Social Value**

The Public Services (Social Value) Act 2012 came into force in January 2013. The Act requires public bodies (such as local councils) to consider how the economic, social and environmental well-being of the area might be improved and secured when procuring services.

‘Thinking Social Value’ should shift the focus from the bottom-line price or cost of a service towards the overall value of the outcomes delivered. How a service is delivered is taken into account along with what is delivered. Third Sector organisations, charities and social enterprises often have elements of social value hard-wired into them, and studies have shown that this hard-wiring can give them a competitive advantage over private sector organisations when it comes to assessing the overall quality of bids that take account of social value.

The outcome of achieving social value is social benefit. Decisions about commissioning a particular service or funding a project in a particular area focusing on a particular need or requirement in the Councils’ area can create and deliver additional social benefit. These additional benefits can take almost any form, ranging from the very tangible, such as jobs for

the long-term unemployed, or sub-contracting opportunities for small businesses, to less quantifiable but equally important benefits, such as engagement with communities or groups of individuals who might otherwise feel entirely disengaged.

We can use Social benefits to bring long term good to Adur and Worthing by:

- Creating skills and training opportunities, for example, apprenticeships or on-the-job training
- Creating employment opportunities for the long-term unemployed
- Offering work placements to school children and young adults
- Providing careers advice and information for young people
- Offering curriculum support to schools, with contractors sharing knowledge and expertise about their disciplines
- Providing additional opportunities for individuals or groups facing greater social or economic barriers
- Creating supply chain opportunities for SMEs, social enterprises and other third sector organisations
- Improving market diversity
- Encouraging community engagement
- Supporting initiatives like targeting hard to reach groups
- Making facilities such as computers available to targeted groups that otherwise would struggle to access them
- Encouraging ethical and fair trade purchasing.

## Service Re-design and New Models of Service Delivery

At the beginning of this paper we identified that the principle options for the delivery of Council services are:

- Stop doing it (decommission)
- Buy it from others (outsource)
- Do it for others (be commissioned)
- Do it with others (partnership, joint venture, co-production)
- Do it ourselves (direct delivery)

We will re-think and re-design service delivery models, and scrutinise existing services, using the following five-stage business/service planning process.

### The Five Ds

<b>Discover</b>	<b>Develop</b>	<b>Design</b>	<b>Decide</b>	<b>Deliver</b>
<b>Scoping</b>	<b>Workshops</b>	<b>Generating Options</b>	<b>Producing the Business Case</b>	<b>Implementation</b>
Meet staff and managers  Review existing strategies, plans and outcomes  Consider existing partnerships and stakeholders  Conduct discovery workshops	Test ideas  Customer exploration  Evaluate products  Establish value in assets, staff and services  Agree key drivers	Scope and scale options  Prove VFM case  Analyse market  Appraise options  Identify preferred service delivery model	Business Model Canvass  Business Case (defines product, commercials, business model)  Approval from programme Board  Executive sign-off	Create new model (incorporation, articles, SLAs, etc.)  Deliver as per mobilisation plan  Shareholder Board to sign off

### Selection and prioritisation for service redesign

Corporate Leadership Team will select and prioritise services for scrutiny by the new Productivity and Innovation Unit on the basis of scale and cost, value for money, and customer

experience. Commercial activities will be expected to make a profit and statutory services will be expected to cover their costs, unless there are overriding social considerations. There may also be unspecified 'windows of opportunity' to develop new service delivery models in other service areas. A new service planning pro-forma has been developed for the 2014-2017 planning cycle with the aim of consolidating this new more integrated and agile approach to supplying or commissioning efficient, effective services and solutions.

## **Leveraging CSR Opportunities in Partner Organisations**

Corporate Social Responsibility (CSR) is the commitment by an organisation or business to behave ethically and contribute to the social and economic development of the workforce and their families as well as of the local community and society at large. CSR represents a potential opportunity for the Councils to support the policies of some of our major providers, facilitating their investment in our local community through actions such as providing work experience for local unemployed people, or building capacity in local Third Sector organisations.

In the past we have relied on legislation and regulation to deliver social and environmental objectives in the business sector. A more competitive environment and a move towards greater alignment of providers to commissioners' values have led to the exploration of more voluntary and non-regulatory initiatives.

The Councils are mindful that there is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. The commissioners of public services need to apply the same thinking.

CSR can deliver benefits such as employment in the immediate local environment, added value through greater material recyclability and the use of renewable resources, higher environmental management standards, eco-labelling and other practical commitments to sustainability. Companies will be encouraged to seek out CSR in their own supply chain – for example by local sourcing of goods and materials and by being more ethically responsible.

Sustainable procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis, generating benefits to the organisations but also to society and the economy, while minimising damage to the environment.

Key Considerations:

- ✓ How can investment in the local community be embedded in the commissioning process?
- ✓ Is the planned commissioning process in line with the Council's environmental policy?
- ✓ Are our strategic objectives being met through the commissioning of this service?

## **Governance and Implementation**

While the commissioning of significant services will involve a range of key stakeholders and necessitate rigorous governance arrangements, there is also a need for agility and scalability in the treatment of smaller commissions. Heavy bureaucracy, such as excessively legalistic approaches to service level agreements and laborious approval procedures, has the potential to discourage local providers. *Catching the Wave* refers to cutting unnecessary 'red tape' while retaining sound and accountable governance.

Consequently, a number of small pilot commissioning exercises are being progressed with a view to sense-checking this framework and developing the associated resources. As this document explains, becoming intelligence led commissioners is a medium to long term aim and will not happen overnight.

Ends