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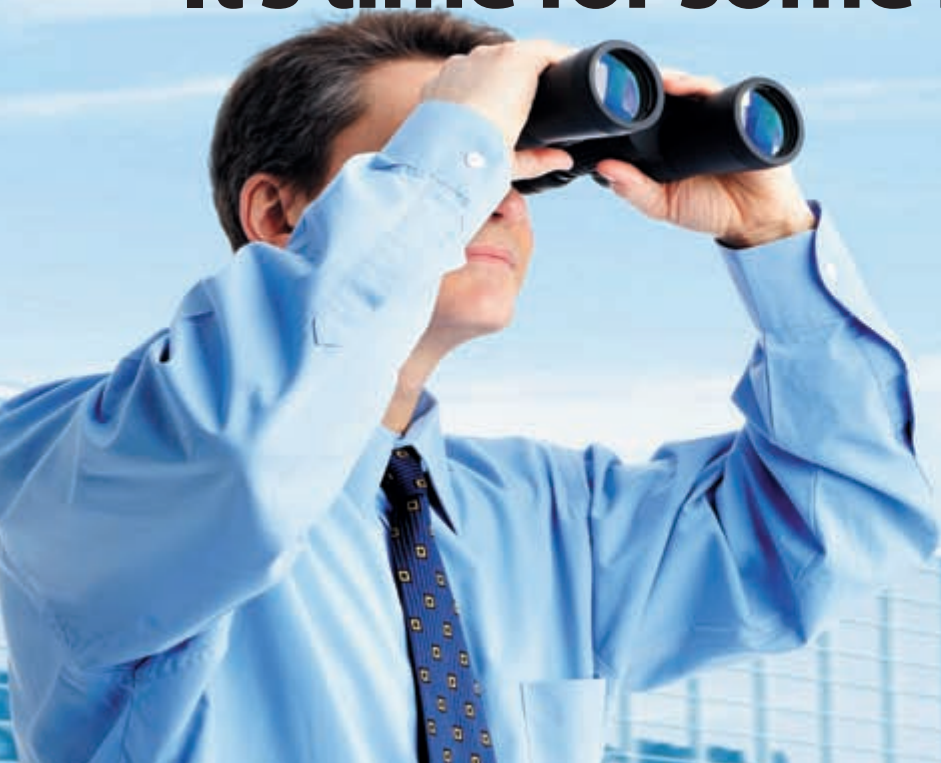
PUBLIC SECTOR PEOPLE
MANAGERS' ASSOCIATION

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FEBRUARY 2015

 ppma – the 'future' issue

It's time for some forward thinking



The worlds of HR and business are rapidly changing, and **Louise Tibbert** urges us to keep engaged with our workforce to stay on track to deliver our services

At our annual PPMA seminar in May 2014 we considered what the future would hold for the public sector and its workforce. The world is changing so quickly now and this is also influencing how we will deliver services in the future, and also the expectations from our future workforce.

Almost every day there is news of a potential new unitaries, collaborations and partnerships with health and others. Devolution in Scotland, Wales and Northern Ireland is also starting a wider debate about how local services could be managed differently. So, things are already changing.

The jobs market is increasingly buoyant and this has started a trickle of public sector people in some professions into roles where pay is higher and prospects are perceived to be better. A recent EU report suggests that we will all experience a workforce 'cliff' where demand for people outstrips supply. For the UK this is suggested as 2021, for Germany 2016 and for the Netherlands 2015.

I would argue that for some roles in some locations we are already looking over that cliff – children's social workers and nurses are already in short supply. The challenges are about encouraging people to come into careers or professions that we all need for the future. How do we make them attractive

enough and then nurture people so that they remain in the profession for as long as possible. For social workers the average career length has been reported as seven to eight years, which is just not sustainable. How many of our organisations have a retention strategy? How well is it understood and bought into by line managers? They are the ones that make the difference about whether somebody stays, performs well or leaves.

We are already starting to see a demand for new skill sets as new roles emerge in response to changing service or customer needs. 'Interim turnaround director' roles are common place. Specialists in organisational development and design, strategic commissioning and others are also in demand.



Louise Tibbert is PPMA President and head of HR & OD at Hertfordshire CC

The ability to work across partner organisations to achieve a single goal is challenging. Health and social care integration and the implications of the Care Act are throwing up massive people related challenges for end users and staff alike. Taking a whole system approach is becoming the norm.

New delivery vehicles – from limited companies through to mutuals – are also changing the public service landscape as councils seek to find new ways of providing services and driving down costs. Workforce planning is a tricky business, but essential. Trying to predict what the workforce requirements will be in terms of new and existing skills, numbers of people and potential availability in the recruitment market is a high priority. When you start to look at the care sector across health, local authorities and the commissioned sectors it is clear that demand will be high and supply will be insufficient unless a more strategic approach is taken to address the in-balance. People will be living longer but they will also be working longer too and as employers we need to recognise that.

Future workers not only want satisfying jobs on fair pay, they also will demand much more flexibility in how they work and more autonomy to make professional judgements. Portfolio careers with more work life 'blend'

(as opposed to balance) will be the expectation, supported by smarter use of technology and different approaches to matrix and team working – as well as more sophisticated management styles.

Generally speaking the technology that we all use at work is already way behind what we all use at home.

We are already starting to see a demand for new skill sets as new roles emerge in response to changing service or customer needs

Expectations are changing and workforces are frustrated that they cannot easily access the tools to do their job better and faster. Job applicants are relying more and more on social media for information and access to roles. The age of the traditional hard copy media job advert is all but gone. Reputation management is key to encourage people to join organisations and social listening; knowing what is being said informally on-line, is now paramount.

There is already a digital divide and organisations need to recognise that not all staff and customers are at the same level of skill or confidence – so how can we ensure that people are

not left behind or worse still left out altogether?

Increasingly, temporary or agency workers are being used to provide some flexibility for key skills or for specific tasks but are not usually seen as a valued part of the permanent workforce. Spend on these workers is seen as bad and a waste of money. Certainly there are issues about continuity of service delivery in areas like children's services but elsewhere they are a valid way of flexing resource to meet changing business requirements, if they are well managed.

Many of these workers positively choose to work this way. It gives them choice and control about where and when to work and they can 'try before they buy' an employer. The future holds a growing contingent workforce and we need to be able to access and deploy them as a valued part of the workforce. Does your resourcing strategy take this into account?

So what does the future hold? There are lots of challenges to be sure. The public sector has lots of very talented people and we need them to work through what lies ahead and to make sure that we can continue to provide public services for the most vulnerable in our society. To do this we must engage with and support with our workforces to help us find the solutions and treat them as the precious asset that they are.

Looking beyond change

Sue Evans is dreaming of a brighter future for public services

THE FUTURE OF EMPLOYMENT

Imagine a world where values are central to the employer brand and caring is not out of kilter with the organisational culture. Imagine a world where employees are a flexible resource and are able to balance their working and social lives as well as performing well in the workplace. Imagine a world where social responsibility is a high priority and the well-being of the workforce is regarded as key to organisational performance.

In these times we are constantly reminded of the pace and scale of change. We are being exhorted to think about a world where employees are put under relentless pressure to perform highly, to be more flexible, technologically aware and able to operate in an increasingly complex and ambiguous world where jobs are changing beyond all recognition and where robots run hotels. Just imagine!

PWC's report *The Future of Work – A journey to 2022* in 2014 makes interesting reading and sets out three 'worlds of work' and challenges thinking around the kinds of workplaces employees could be working in by 2022. The report describes a *Blue* world in which big corporations focus on profit and market leadership; a *Green* world where social conscience and responsibility are the key drivers; and an *Orange* world where networks are more important than large companies and careers are more short term and *ad hoc*. Each of these worlds brings challenges for HR and OD and requires a different strategy and a different workforce.

The public sector has for too long been the focus of criticism – too slow, too bureaucratic, old fashioned and unable to operate in a commercial way. Yet the changes delivered in so many authorities, in a fairly short space

of time, embracing of new ways of working, adopting new models for delivery and the response to the challenges of austerity, would indicate otherwise. Here are organisations that

The world of work is changing and the public sector must move beyond change and transform itself as we re-imagine public services.

can reshape, re-think and re-emerge to refocus on the needs of our communities and provide good services that are valued by our citizens. I recognise the green world described by PWC. Maybe the public sector is ahead of the curve – we see NHS staff delivering in highly demanding situations in A&E this winter, we see social workers striving to support people in difficult situations against a background of criticism in the press and we see care workers struggling to get to people in bad weather. Not for high pay or reward but because they are caring and committed.

In my world, a busy and effective local authority, we have moved beyond change and we are about transformation. The central challenge for us is in re-thinking the way we meet the needs of the people of Warwickshire, enabling communities and moving from provider to commissioner. Like other authorities we have begun to think the unthinkable and face a future which is characterised by uncertainty and diminishing resources. Our staff are being challenged to think



Sue Evans is head of HR and OD at Warwickshire CC

differently, behave differently and adapt to new and different demands – and they are. Review follows review and cut follows cut, but still we have high levels of engagement and commitment and a workforce doing the very best it can. Why would that be?

Maybe because in doing this, we have not lost sight of our values or of the need to recruit, develop and retain a future ready workforce which is agile and flexible, able to lead and to collaborate to achieve the right outcomes. Above all, we have not forgotten our primary purpose which is to serve the people of Warwickshire. Maybe because we operating in a 'Green World' where caring is not a dirty word, communication and involvement are prioritised and looking after our workforce ensures that they are with us on the journey and ready, willing and able to respond to the next challenge. The agenda for public service will remain focused on delivering services for the public. That requires a workforce who share the values of service and commitment, who care about the services they deliver and who will put others first and be mindful of the costs.

Yes, the world of work is changing. Yes, we are being driven to deliver more, reduce costs and operate within ever tighter budgetary constraints. However, being 'more commercial' (whatever that means where you are) does not have to mean being cut-throat, aggressive and demanding but requires us to be bolder, clearer, more savvy and smarter in delivering our services. Elements of the Blue world emerge as we do

get better at operating in an increasingly business-like way. As we develop our new models then our world becomes tinged with orange where we build networks of local providers, contractors and volunteers and our workforce becomes blended with the private, voluntary and independent sectors.

The world of work is changing and the public sector must – absolutely must – move beyond change and transform itself as we re-imagine public services. As we re-shape the public sector, blending boundaries and working together in new and different ways, let's not sacrifice the edge we have on delivering in a Green world. This doesn't mean soft or old fashioned. We need tough strategies and even tougher leadership. If we can hold fast to our values, take our social responsibility seriously and recognise the unique and immeasurable contribution made by the public sector workforce then the future is bright. The future of work in public service is Green...and maybe streaked with blue and etched with orange.

The sky is still the limit

One of last year's 'Rising Stars' tells **Leatham Green** of the potential benefits for younger talents within local government



Leatham Green is assistant director: personnel & training at East Sussex

THE FUTURE OF HR

What does the average young person think of when they hear the words 'local government'? Job-for-life, mundane work, uninspiring? This is far from what we experience as young local government employees. Over the past three years PPMA have been running a programme called HR Rising Stars, providing an opportunity

to seek out and provide meaningful development opportunities for potential HR directors. In partnership with ManpowerGroup we have now identified over 40 aspiring future leaders and provided them with the opportunity to show case their talent and as a result many have used this as a platform to develop their careers.

Amy Newham from East Sussex CC, a finalist in last year's HR Rising Stars, shares with us her thoughts

about the steps that could be taken to improve the appeal of working in local government to young, talented professionals.

'Local government is going through a period of unprecedented change.

We're getting up to the next level

Anna Buttenshaw details the increasing importance of the NGDP to local authorities, and asks three participants what the experience has done for them

THE FUTURE OF HR

'The future' is an uncertain concept in local government today. For many people working in the sector, however, the austerity of today strengthens their commitment to whatever future it brings.

Finding and keeping talented individuals with this dedication is critical for local authorities, which is

why they are increasingly subscribing to the national graduate development programme (NGDP) for local government.

Local government remains an attractive career option for graduates as well. The level of organisational and financial change in the sector attracted new NGDP recruit Shoab Khan to apply for the scheme. 'Though problematic,' he said, 'this

challenge demands the innovation and effectiveness that I would like to personally and professionally develop.'

The NGDP has been training dedicated graduates like Khan for over 20 years to become adaptive, focused and skilled to lead future change. John-David Laux, currently in his second year of the programme based at Selby DC, believes 'the authority is committed

For some, service delivery is being redesigned, and employees are being engaged with to find out how best to meet the needs of our communities. 'It's exciting to be part of that journey and to put forward ideas and make your mark in the workplace regardless of your background or role.'

'For a county like East Sussex, no other employer presents as many opportunities for growth as local government. This excites us as we start our careers. Over the course of a few years, you can have exposure to a variety of different work and gain a wealth of experience. The relationships you make and the attitude you bring are what will set you apart in local government.'

'With an ageing workforce, there is a strong driver to attract younger people to the sector. In recognition of this, there is a commitment to initiatives that open doors and present unique opportunities to gain diverse work experience, which many younger people crave at the start of their working life.'

'The challenge of attracting younger talent going forward lies in changing the perception younger people have of the sector and the perception recruiting managers have of younger people. Communication is key. Management training should incorporate recruitment techniques that are sensitive to applications from younger people and social media should be used to raise

the local government profile and share news on activities.'

As for retention, the sector needs to recognise that job flexibility and variety are priorities for the 'Gen Ys and Zs' and adopt work practices and policies that enable this. Younger people value building their skills portfolio over job security, which means they are likely to job-hop and stay in roles for a shorter period of time. The sector needs to embrace this and encourage their development and progression.

'Lastly, the sector needs to work more collaboratively to not only encourage more quality employment and development initiatives, but also utilise this resource pool more widely across organisational boundaries.'



to making best use of our talents and ensuring we get the most from the experience, encouraging us to be "agents for change" and approach projects differently and radically.'

To promote graduates' capacity to act in this way, councils are encouraged to expose their trainees to services across the council, from the front line to the back office and on to corporate management. Edith Galliers, who joined Wellingborough DC in January 2005 as part of the NGDP, observed that 'the scheme has underpinned my career development. My experience working at different levels of a council during the NGDP has enabled me to switch between working strategically and operationally easily, making me a stronger middle manager, able to translate and represent resident and corporate views to a variety of audiences.'

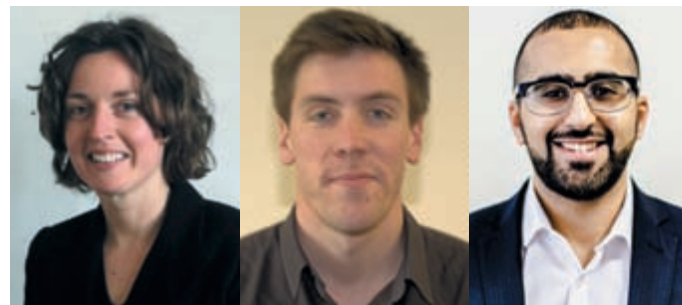
Flexibility and diversity in workload are commonly raised by NGDP trainees as the programme's greatest way of preparing them for the future

of local government. Galliers, now policy manager at the Redbridge LBC, works 'closely with senior managers and elected members to develop the strategic direction of the organisation... My days are varied and I enjoy being able to draw on my early experience of community development to ensure the corporate work we deliver has maximum impact.'

The future of local government is more than a budget line: it will be shaped by the people at the heart

of their communities who thrive in a changing and diverse work context. When asked about his future, Khan said that 'my main career goal within local government is to begin with the end in mind: to make a positive contribution for residents throughout a fulfilling career in which I have added value to an institution recently battered by the winds of change.'

Anna Buttenshaw is an adviser on leadership and localism



Edith Galliers, John-David Laux and Shoab Khan have all been through the NGDP scheme

A new way of thinking

Kelly Sandiford says managing expectations will be one of the biggest challenges facing the public sector

THE FUTURE OF EMPLOYMENT

Like most councils up and down the country we are unexpectedly £1m worse off than could have been predicted following the latest budget settlement. Although there were no further cutbacks planned for this year (other than those already budgeted for) we have very limited financial flexibility and it will be the same moving into 2016. This now becomes the explicit background to many of the decisions councils are making on spending and service levels affecting internal and external stakeholders

Local government as part of the public sector is heading for unprecedented change, requiring us to completely rethink how to manage internal and external stakeholders expectations – including the size of councils, geographical remit, possible mergers with other councils, a need for internal review and changed service levels to residents. There is a need to bring about behaviour change in terms of stakeholders' (employees, members and residents) expectations of a 'town hall' and fixed borough boundaries.

Change cannot take place without the fundamental acknowledgement of what this will mean for the workforce and, in so doing, recognition of the importance of taking our employees on a journey of engagement with a future proposition that looks radically different from anything else they have experienced to date.

Current research points to new skills for a radically different public sector, requiring fundamentally different leadership skills to drive change and the need to reduce headcount sensitively and effectively. Greater flexibility in resourcing of the workforce to meet current and future challenges, and greater know-how to successfully retain and attract the right skills are both needed.

Employers in the overarching public sector are now putting values on skills that will drive forward smaller but more efficient and collaborative organisations that align in functionality and infrastructure.

The findings of a survey of 785 public sector employers and employees conducted by Hays Public Services in 2014 suggests that compared to two years ago, the ability to find efficiencies is the skill for which there has been the sharpest increase in demand (84%). Other highly valued skills compared to two years ago are collaborating with

other organisations, innovation, creative thinking and problem solving. Over half (57%) said interpersonal and leadership skills such as engaging and motivating staff are now valued more.

Employee engagement is therefore the 'platinum' thread that will make this complex change work successfully. We know that productivity and engagement are inextricably related! Much research has clearly established there is a firm correlation between employee engagement and high organisational productivity and performance across all sectors of the economy.

It's easy to assume that knowing what is required means we are ready to deal with it. The reality can be very different. Even the most widely recognised trend can trigger disruptions far bigger and wider than people expect.

With years of change ahead, communication with employees has never been so important. Employees need clarity about where their organisations are heading and honesty about the difficulties, as well as the opportunities ahead.

What is now required is a radical review of the public sector employee value proposition (EVP) or the 'deal' or 'psychological contract' between an employee and their employer. This needs to articulate the unique and changing experience

the employee can expect from their employer above and beyond their contracted terms and pay, and in return for their performance.

Many new EVPs will need to include opportunities for even greater flexibility in how and when services are delivered. Consideration will need to be given to increasingly diverse types of mobility to move skills around such as remote working and talent swaps. Employees' experience of the organisation's culture, their relationships with managers and leaders and the work itself will need greater articulation.

As an organisational development manager it is not difficult to see the challenges this presents and the level of complexity that needs to be deployed to bring about whole systems change. The organisational workforce is where several 'megatrends' collide. Demographic change, reshaping of the workforce, advancing technology, resource scarcity, these are impactful. Our thoughts therefore need to turn to 'a new deal' – a change in mindset that empowers both employers and employees for a radically different proposition.



Kelly Sandiford is OD manager at Thurrock Council and PPMA deputy lead – OD

Tell us your views

If you have any views about the contents of this focus or ideas for future articles or would like to contribute please email the Editor Dilys Wynn at

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Making the best of an uncertain future

Julie Towers charts the immediate future of public services and local government

THE FUTURE OF LOCAL GOVERNMENT

How do you predict the future? Well in many ways you can't, it's hard to imagine even five years, never mind 10 or 15 years hence. With such turmoil in the markets and being on the edge of a deep recession for the last five years, there are few past or present indicators that might give you clear clues.

Other than less money and more integration (the obvious changes) there are perhaps some trends, opportunities and activities emerging that start to tell a story about what some of our public services future might look like. Here's just two to keep an eye on for a flavour of the future:

- The major inquiry launched into the economic and social future of the half of England that is not a major city chaired by Sir John Peace is definitely at the top of my radar. Non-metropolitan areas account for roughly half of England's economy and population.

This means that their economic contribution, and their growth

potential, is as significant for the nation as for that of big cities; indeed on average, non-city areas contribute more to national output per head of population than cities outside London.

This is the first time an independent body of distinguished experts has examined the role of non-metropolitan areas and their potential for supporting balanced economic growth. Sir John has been asked by the Local Government Association, which represents almost 400 councils, to lead this

Media reports indicate that a number of other areas in England, both urban and rural, are considering establishing combined authorities

major review alongside a panel of leading figures from business, the voluntary and public sectors.

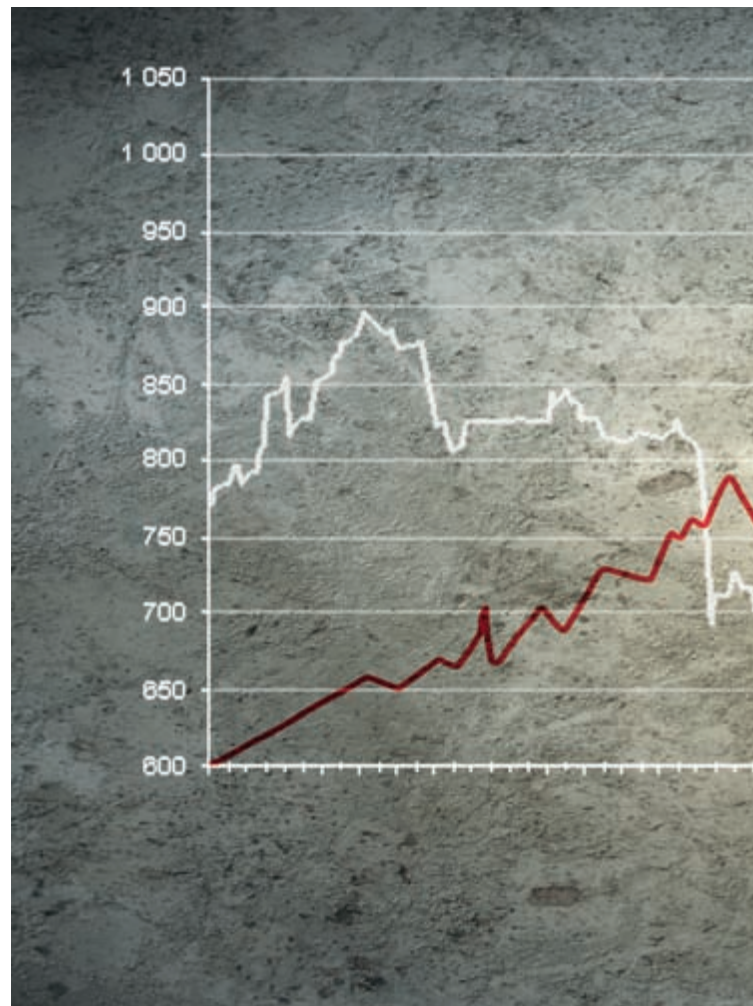
They will explore the unique



Julie Towers is managing director, recruitment solutions, at Penna plc

characteristics of non-metropolitan economies and their drivers, as well as what more can be done to free up their public services to promote growth and deliver better outcomes for residents.

The inquiry has presented early recommendations for reform to shape the way economic growth and public service transformation are supported in the future. It's conceivable that Sir John and his commission will recommend some significant boundary and organisational changes to aid economic growth. Combined



authorities being just one option, the LEP's will be under further scrutiny and could potentially become

more powerful, even becoming organisations in their own right.

- The 10 authorities in Greater

It's high time for a better deal

THE FUTURE OF LOCAL GOVERNMENT

Public services have already delivered on unprecedented cuts demanded by government, and local government has taken the brunt of those cuts. However, the Government intends to balance the budget in 2018/19 and wants even more cuts to public sector funding. HR has been at the forefront of developing new ways of working, innovative service delivery models including public /private collaborations, outsourcing and shared services.

Already overstretched with greater demands on services, local government is in no shape to accept further cuts but greater efficiencies are still needed. There is a way to continue to transform the public sector and spend the reducing 'public sector pot' more effectively. Less money, changing demands and demographics and greater use of technology provide the 'perfect storm' in the public sector. A different, braver more radical reform is needed. We need a new and better deal.

Unlike our European colleagues where the majority of tax collected is administered by regional or local government, in the UK the spending of 95% of all tax collected

A more radical reform is needed if the public sector is to survive the current financial 'perfect storm' – as Michelle Kirk explains

is determined by Westminster; and yet Local government is constrained by funding arrangements which are driven centrally and short term with funding is aligned to priorities set by national government departments which don't address the whole picture locally and prevent whole system solutions to intractable problems.

This approach inhibits long term planning and investment making it difficult to make major change or improvements.

The government commitment to transformation has over 30 funds allocated to government departments (over £5bn) with different criteria and



Michelle Kirk is director of the East of England Local Government Association



available to different parts of the public sector. The bidding system alone costs thousands of pounds and uses up valuable resource. Even when successful in the bid process, funding only provides partial solutions to local problems. By rolling all this funding together, imagine what we could do if it was directed locally through councils and LEPs, providing whole system transformation funding allocated to local areas with devolved powers to solve their own problems.

Devolution for the 5m people in Scotland has delivered genuine financial freedoms, and with that flexibility and local determination. Many of the English regions are bigger geographically or have higher populations, but with all the same

challenges so why not us too?

What if local communities and politicians had responsibility for employment, education and training, where jobs were created in areas of most need and skills and employment were handled locally encouraging people into gainful employment and away from benefits.

Individual and collective community needs such as housing and social care delivered across the whole system with local accountability, including how all the money in the area is spent?

So what does it have to do with HR?" I hear you say. What could we in HR do if we had access to the whole system for the whole community, where might we add most value?

Starting with partnerships between education, business and communities, training for real jobs which we know are needed, matching skills to the local economy.

Enabling and developing whole system leadership, collaborative effort centred on 'place' communities and local need; this requires a different mind-set, a different set of skills and a different set of values. Changing structures and funding is only part of the solution. We already know that multi agency initiatives such as for troubled families saves thousands of pounds and provides better outcomes.

If housing provision could be determined locally with the HRA debt ceiling lifted. How many more jobs could be created, how much more could be done to develop skills and get people back into well paid jobs rather than low paid part time work which still exists in many areas?

HR should be preparing now, continuing to illustrate the art of the possible and preparing the ground for politicians to show how we can make it all work, breaking down organisational barriers and putting our organisational differences to one side. We owe that to the profession and our 'places' so that we are ready when devolution comes.....and it will!



region will have pioneered a new model for sustainable economic growth based around a more connected, talented and greener city region where the prosperity secured is enjoyed by the many and not the few.

Combined authorities are a legal structure that may be set up by local authorities in England, following a governance review. Combined authorities may be set up by two or more local authorities. The combined authority must include all local authorities in its area: it cannot include, for instance, part of a county council area.

They may take on transport and economic development functions. They have a power of general competence.

Media reports indicate that a number of other areas in England, both urban and rural, are considering establishing combined authorities. A consensus appears to be developing that they are a favourable location for any further devolution of powers to local government.

What will these changes mean for the workforce? Will the government, whatever colour(s) support boundary changes or will they rely on the drivers of economic growth and financial pressure to encourage the creation of new organisations or mergers of existing ones to get more integrated service delivery, cost efficiencies and the economic growth so needed.

Whatever the outcome, for HR and OD professionals the future is certainly a busy one.

Manchester were the first in the country (1.4.11) to develop a statutory Combined Authority

(GMAC) to co-ordinate key economic development, regeneration and transport functions. The

governance arrangements have been developed in order to boost economic performance and help

deliver a brighter future for Greater Manchester and the North West so that by 2020, the Manchester city

Where are the skills?

The changing nature of local government means skill shortages are emerging at senior level, says **Michael Burton**

THE FUTURE OF LOCAL GOVERNMENT

On what must have been a quiet news day *The Times* newspaper recently ran a shock-horror report that local authorities were wasting money on interim staff, some of whom – gasp – had actually previously been working as permanent employees.

I emailed the paper a letter explaining that in one sector, children's services, it is extremely difficult to find not just social workers but also directors. The pressures of the job are immense, and the consequences of a failure in the service such as a child death or the scandal of child sex exploitation are public abuse and reputational damage for directors – hence the difficulty in finding them and the need for interims to fill the posts. *The Times* ran the letter, and a few others the day after on much the same lines.

Despite spending cuts and (mostly voluntary) redundancies, there is a growing problem of skill shortages, especially at senior level, as a cursory glance at recent back pages of *The MJ* show. Most councils went through a considerable downsizing of senior management from 2011, leaving them with such small corporate management teams that the departure of a director leaves a gap that has to be refilled. Some councils simply have one director in charge of 'place' i.e. infrastructure and another overseeing 'people' i.e. social services, HR, and corporate. Many districts are sharing directors. In addition many chief executives have departed because of pension tax issues even though they still have plenty to offer in terms of experience. In addition there are the difficulties of finding social services directors outlined above.

Another major reason for the skills gap at senior level is the changing nature of local government.



Michael Burton is editorial director of *The MJ*. His next book, *The Politics of Austerity*, will be published in 2016

The continuing reduction in government grant funding means councils are now relying more and more on home-grown revenue, especially from the newly localised business rate. Ministers have already hinted that councils may end up keeping more than the current 50% share of business rate income while some councils are developing their own businesses. The entrepreneurial skills needed to develop new income streams are not always available or necessarily affordable. Furthermore, managing increasing demand for services with diminishing budgets requires real expertise. The expanding private sector economy will also poach managers in areas like legal, finance and IT. Finally, it is likely that ministers will have to revisit cuts in social care which are having a knock-on effect on the NHS with increased bed-blocking

The paradox therefore is that even though local government funding continues to decline and councils will lay off more staff, skills shortages in key areas are unlikely to diminish. Unless councils start withdrawing altogether from certain services – which some council chief are warning will happen – then the job still has to be done.

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THE FUTURE OF SERVICES

What is the future of service delivery in the public services arena? I know, a huge question with so many differing options and directions especially in a national election year! I wish I had a crystal ball! Or do I?

The Government's white paper, *Open Public Services*, published in 2011, sets out a clear vision for how it believes public services should be run in the future. As a starting point, it fundamentally believes that, wherever possible, the individual should have a say in what, where, when, how and by whom public services are delivered. Where it is not feasible for an individual to achieve such choice, the government believes in the potential of 'neighbourhood', local-for-local service provision. Where the sheer scale of service requirement demands it, the third component of open public services provision is the commissioning of services from external service providers.

The outcome of this strategy is clear: local government will, itself, continue to reduce its involvement in direct service provision, replacing its role instead with the orchestration of the component parts that will deliver its 1,335 statutory responsibilities.

From a workforce perspective, the impact of the austerity measures and this strategy has been twofold; a reduction in the number of workers engaged by local authorities to continue the provision of public services and the transfer of a proportion of local authority workers to external providers. The combined impact saw the local government headcount fall by 16.6% between 2010 and 2013.

So what is the future of service provision across public services?

On services to individuals: 'Power should be decentralised to the lowest appropriate level,' states the Government in *Open Public Services*. 'We want control of public services to be as close to people as possible. Wherever possible we want to decentralise power to the individuals who use a service.'

If personal budgets are to develop on the scale envisaged by the Government this could considerably increase the market for delivery mechanisms and support. In essence, this amounts to a significant fragmentation of supply and,



Back to the future

Barry Pirie takes a look at his crystal ball and outlines the 12 months for public services

with it, dispersed need for flexible skilled labour whether directly employed by local authorities or not.

On services to neighbourhoods: Through the Localism Bill, government created a series of bottom-up rights that give local people the chance to take on powers that had previously only been exercised by local authorities. It allows for the delivery of traditionally in-house services to be run through various different models.

Whilst visibility on numbers of such enterprises is a little hazy due to the huge level of complexity of hybrid legal and group structure, they are undoubtedly substantive. Today, there are 180,000 registered charities in England and Wales (according to the Charity Commission) and 62,000 Social enterprises (according to Social Enterprise UK), including Community Interest Companies (CICs) and Mutuals.

With a substantive number of these providing services that were historically delivered directly by local authorities, once again workforce requirement has become disparate and fragmented.

On the role of commissioning: The commissioning of services from external

parties has a long legacy dating back to the 1980s.

According to the LGA, by 2011/2012, the external spend on goods and services was £56.6bn, of which £30bn was via contracts with third party providers. Some 76% went to third party providers, including voluntary sector organisations, delivering a contracted service.

Council spending, including with third parties, has undoubtedly fallen since 2009/10 following the 2010 Spending Review, but third-party spend has risen as a percentage of all spending on goods

and services. In 2011/12, spending on third parties in real terms accounted for 52% of all procurement, compared with 49% in 2009/10 and 47% in 2004/5.

On taking the integrated approach to public services: Above and beyond the three scenarios listed, where external parties are becoming increasingly involved in the independent running of public services, there is a substantive number of instances where collaborative solutions have come into being both within local government and across public sector functions.

On cross-council solutions: By the end of 2011, conservative estimates by the LGA showed that 160 shared service arrangements were in place involving 220 councils. These solutions had generated savings totalling £165m. By the end of 2012, these figures had increased to 338 councils generating savings of £278m.

In terms of which service areas these shared service initiatives have been actioned and have delivered the greatest savings, much has been achieved from pooling support service functions. As financing pressures continue, consideration



Barry Pirie is associate director, people and business at Wiltshire Council and PPMA president elect

will undoubtedly arise over what can be delivered in front-line service areas – potentially as an alternative to externalisation of services.

On cross departmental service solutions: Beyond the formation of shared service solutions within the local government context, a blended approach to care provision involving the NHS and local government is in the process of playing out.

Absolutely central to this is the joined up commissioning of staff. In blending the workforce needs of local government with those of the NHS, it is hoped that this will lead to more considered, strategic use of our joint workforces. It may, in fact, become the first example of a large-scale initiative that exercises informed choice, on a case by case basis, against each singular user's (patient's) needs.

Strategic Partnerships – a blended approach to public services provision: In contrast to the externalisation of public service provision highlighted above, there is another form of public/private partnership arrangement that is often considered for large-scale initiatives. Strategic initiatives or Public Private Partnerships (PPP) are typically long-term, multi-service, multi-million pound contracts between a local authority or public body and a private contractor. In such arrangements, staff are transferred to a private contractor of seconded or transferred to a Joint Venture Company. Contract durations are around ten years, with an option for a further five years – although this may be longer if the private sector partner needs to recoup large capital investment.

As well as the delivery of budget saving, strategic partnerships are usually focused on the transformation of public services. From a people perspective, it is likely that, the numbers transferring from public to private sector will continue to increase and is another major transfer of workforce away from local government into private sector management.

In essence, and not surprisingly, as the provision of public services will be delivered via an extended enterprise of public, private and Third sector providers it is essential that we develop an integrated workforce management strategy in order to maximise local government performance whilst accommodating different workforce requirements in a strategic approach.

THE FUTURE OF SERVICES

At the time of writing this article we in local government across the country are heavily into the so called 'winter pressures' season and in large part this is meaning significant capacity issues in health and adult social care provision.

Winter pressures are of course unexpected but interesting it is that no one seems to really know why the acute hospital system in particular is suffering so badly this year. My personal view is that it's more to do with the whole system being near breaking point rather than anything else. Rather akin to the M4 which now only seems to need one small breakdown to jam it up completely. As with our highway networks, which were never designed to take today's traffic volumes, social care is close to the point of breaking under the pressure.

Time to rethink our strategies

Richard Crouch says the pooling of resources is essential to the future health of the adult social care system



Richard Crouch is acting group director of operations at Somerset CC

Keeping with the theme of adult social care for a moment, as I see it, we have three choices if we are to keep it going in its current guise. One is to manage demand, two is to increase spending and three is to reduce the

level of care. Whilst we are all trying to manage demand, the problem is that new demand is outstripping the old resulting in net growth.

The Government has made it clear that there will be no more money but less and as to the level of care being offered, we are already operating at the minimum thresholds. The problems in adult social care are acute and the same is true in other service delivery areas in local government, whether they are in highways, children's services, waste or elsewhere.

The strategies we have all adopted over the austerity period have been very similar and some have been more successful in some councils than others and these include such developments

as shared services, commissioning out services to others, establishing formal partnerships, salami slicing budgets, service 'pruning', passporting reductions onto third part contract holders and of course reducing employee head count and terms and conditions.

The problem though is that the strategies used over the past few years are not going to go far enough to deal with the likely reductions in funding over the next period. All councils are talking about zero reliance on government grant in the future and in order to deal with such a huge loss in funding, councils are going to have to explore very different operating models.

One such change in delivery model has to be to move away from an organisationally centred approach to service delivery to one that is more place or community centred. The cost of running our own organisations is simply too high a burden and we have to reduce our overheads, whether this is in buildings, staffing or systems. In this I am not meaning another round of LGR, or indeed simply linking social care with health, but something much bigger that works on the basis of x community plc.

Somehow, we need to pool public sector budgets and allocate funding to providers (whoever they may be) based on intended outcomes. Such pooling of budgets is important not only for efficiency gains but also in the cultural shift it will help create in making us in the public sector think as 'one' rather than as 'many'.

A huge task for us all and certainly something for HR professionals to grapple with.

Making shared ambition work

Charlie Adan and **Ian Gallin** give examples of how collaborative working continues to benefit the residents of Suffolk

THE FUTURE OF SERVICES

Having been invited to write something about the future of services we quickly realised the talk here in Suffolk is often not about the shape, size or even costs of our services. Instead our focus is on people, families, communities and places in Suffolk; sometimes across the county, sometimes a market town or small village, sometimes those with particular needs. Our shared ambition is to find the best way to have the greatest positive impact on Suffolk using our collective resources.

Every day, I'm reminded of the fact

that information and communications technology is continually advancing.

Why is that so?

Sharing is not new for us. We have a history of collaboration. Six district councils share 3 chief executives. Public service leaders meet regularly to focus on the agendas across the county. There is a single economic growth strategy. Business rates growth is pooled. Health and social care is driven by well established partnerships with a local integration pilot in Sudbury. A shared 'Raising the Bar' initiative focuses us all on improving education outcomes. Lowestoft Rising involves all



services working together improving outcomes for local people and saving money too. The Mildenhall Hub has had a nod of approval and funding from the Government as it looks to bring education, leisure, council services, police and health all under one roof.

Suffolk's recent successful shared bid for transformation funding recognises that we have come a long way. However, we still face challenges to meet increasing demand for services with reduced resources.

Our response is even more of the same and that raises interesting questions about the leadership required for success.

Creating a single public service system that puts the individuals, families, communities and places at the heart of everything is not easy. The energy and resilience of leaders is vital. It requires a willingness and ability to see the larger system and an understanding of each

other's perspective. It also needs an understanding of benefits realisation – that, sometimes, what we do ourselves may not have a direct impact on our own budget but the savings elsewhere benefit taxpayers overall. Learning from what works together and confronting difficult issues in a constructive way is important. The aim should be to build a shared common understanding of complex problems and find shared solutions. But is that enough?

For organisations to act selflessly for the greater good, the leaders and people working in them need to trust one another. How do we encourage reflection and engage in the right type of conversations that help us understand each other's position? Are we really able, or do we even want, to 'hear' what others are saying? Having listened and heard, how do we react? Do we understand how others are feeling and how this impacts

on our shared endeavours? Are our reflections and responses helping build trust across the system? How do we balance the needs of those who have to answer directly – and very publicly – to voters with others in the public sector who have different governance arrangements?

It is much more exciting and energising to be working with colleagues to co-create a shared future than be constantly reacting to current problems. Change in response to a shared vision of how things could be better is so much easier. We know that if goals can be defined with the future in mind, this inspires others. So how do we co-create that same energy, enthusiasm and commitment to a shared vision across a whole system responding to a range of complex needs and demands?

It is only by answering these questions that we will shape the future.



Charlie Adan is joint chief executive of Babergh and Mid Suffolk DCs



Ian Gallin is chief executive of West Suffolk - Forest Heath and St Edmundsbury Working in Partnership



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Yvonne Skingle tells us what viewing the Coral Reef today can mean for the public sector of tomorrow

THE FUTURE IMPACT ON TECHNOLOGY

I hear lots of colleagues talking about the '21st century public sector worker'.

Every day, I'm reminded of the fact that information and communications technology is continually advancing.

My elderly mother texts me to tell me she's heard that champagne is cheap in a local supermarket, good progress in anyone's books!

I got a e-Christmas Card from Phuket congratulating on my recent award (one day after the PPMA Awards) from a friend on a 'world backpacking trip' – world wide web or what!

Visiting the Kelvedon Hatch Secret Nuclear Bunker (a large underground bunker in Brentwood, Essex, maintained during the cold war as a potential regional government headquarters) left me amazed at how primitive it looked.

But these examples also remind me to try to keep up with technology and to consider the impact of it on the 21st century public service employee.

Of course, no one is just an employee. We're also consumers and expect from our working environment the same technologies and service as we have in our personal lives.

So, with all of this in mind, we were recently invited by BT to visit their showcase where I became even more dazzled with new advances and how technology really opens up our worlds, information and knowledge.

I am sure a number of you as part of your digital strategies are starting to think about how you take those little personal technology steps and relate them to being a customer of your organisation.

For example, many employees are still given PCs with outdated software or using antiquated processes, rather than the tablet devices they use at home. Almost two thirds of these under 35-year-old workers were



frustrated with the technology that was currently available to them at work. This is driving the trend for Bring Your Own Device (BYOD), which brings with it new requirements for security and usage policies

It's not just age that matters. Extroverts, for example, prefer tools that allow them face-to-face or instant contact; video conferencing, telephone and text. Introverts, on the other hand, favour email, IM or conference calls. These are all factors which can also impact people's training and learning methods.

Of course, social media is an area that is increasingly crossing people's personal and public lives. When used correctly it can be a powerful tool to engage with peers, raise your profile or share news, but as boundaries

become blurred, it can also come back to bite.

These are just a few examples of technologies which have advanced significantly over the past few years and that are impacting on our personal and working lives.

Here are some thoughts about other technologies that could impact a 21st century public sector employee:

- Global Positioning Systems (GPS) now gives us the facility to track devices or objects, something that could enable a highly mobile yet siloed workforce, wherever they need to be.

- Google Earth is now videoing the Coral Reef so we start to see parts of the world totally undiscovered through our iPad and TV screens. How could this type of technology

be used to see or engage with our communities?

- Geographic Information Systems (GIS) gives us the ability to look at a locality and overlay different levels of data to identify hot spots of need. Big



Yvonne Skingle is associate director/sector lead – local government and housing, at Penna Executive Search

data is a technology hot topic, how can we leverage advances in this area to deliver better services at lower cost.

- In the retail space, foot fall is monitored to events and shops. Our supermarkets know more about us that we realise through store card technology. Is there something we can learn here to improve outcomes – an Amazon-style 'you might also like' recommendation?

What we do know if that the world around us is changing fast and we have to run to keep up. Our challenge is to look at how we can get ahead, how we can carve the time out of our busy days to view the world around us and how we could be impacted. We need to innovate together to support the next generation of public sector employees.

THE FUTURE IMPACT ON TECHNOLOGY

The pace of technological change over the past three years has been breathtaking and shows no sign of slowing down, in fact, quite the opposite. Virtually every local authority has some sort of channel shift programme. Mobile and flexible working is becoming the norm and we are all looking to the advances in analytics (predictive and multi-layered) to support better decision making, all as austerity continues to drive down budgets and therefore costs. But what about the residents or businesses? What are their expectations, not just from local government but from public services generally?

Today technology is delivering the capability for public services to work together virtually and physically. Information governance related legislation actually supports the sharing of data where the purpose is clear and consent has been obtained from the owner (rarely the public sector body holding it), yet we

No limits to achievement

David Wilde is excited about what we can achieve through technology

still build out separate IT systems, operate from vast agency specific office estates and spend months, if not years, agreeing processes and protocols for sharing services and information.

The next few years should break this deadlock through a combination of financial necessity, customer demand and the ongoing radical developments across the technology landscape. The challenge for local government, alongside all other public services, will be how best to realise the inevitable and maximise its value.

There are three dimensions in play to look at this: the person, the place and the economy. Citizen-centric service provision will drive the adoption of standards around data and interoperability across the public sector. At the centre of this is

the combination of NHS number, NI Number and explicit recognition by agencies that we are custodians, not owners, of this data and we need permission to use it in the ways we need to. Once done, consolidating IT systems is easy. Technology advances in health and assisted



David Wilde is director for information services (CIO) at Essex CC

living over the next few years will make home based support much easier, alongside much greater scope for prevention (FitBit being just one of many examples) but it is crucial we use these to consolidate health, social care and voluntary sector working around the individual and their support network.

On place, the wealth of public assets available for re-use to revitalise and support communities can be exposed and unlocked through the demographic and geospatial technologies out there today. We just need to start thinking about the whole space and the populations that occupy it now and in the future. The possibilities around more holistic planning to encompass housing, environment, jobs, education and transport are really exciting and are only limited

by our thinking and often self-imposed constraints.

On the economy, we are seeing wholesale change beginning to take place in manufacturing through the evolution of 3D printing and the speed and volume of data that next generation networks are moving around. On networks the same applies to the financial and service sectors, driven by increasingly automated intelligence capabilities through new analytics tools. Superfast broadband is taking home working to new levels of capability for call centre staff through to heavyweight media, research and development professionals. Multimodal transport is moving closer to reality in the UK and is already the norm in many other global cities.

Local government sits at the centre of all these exciting developments and at the centre of public service provision. As I look at the landscape I am excited by what we can achieve through technology but wonder whether we can overcome our own organisational limitations.