

How digital innovation can aid new partnerships

With council merger, combined authority and joint management plans especially active in the South West *The MJ* and BT hosted a round table dinner with prominent chief executives from the region to discuss how digital innovation can help progress cross-boundary collaboration. **Sam Clayden** reports

The latter months of 2017 were an interesting time for local government, not least because of communities secretary Sajid Javid's 'minded to' decision on the Dorset unitary proposals and a raft of district mergers. Not only did it bring the debate about local government reorganisation back to the table, but it also shone a spotlight on the collaboration agenda.

Councils and their partners in the public, private and voluntary sectors are increasingly looking beyond their immediate borders to improve services and outcomes for residents.

The South West is one region with considerable activity involving new unitaries, partnerships and combined authority plans.

BT and *The MJ* recently held a round table with some of the region's leading chief executives to discuss how digital innovation might feature in the new merged structures.

During the discussion, the chief executives mentioned a vast array of service areas that they delivered in partnership, ranging from public health and adult social care, to youth offending teams, revenues and benefits services, ambulances, financial services, legal, HR, IT, children's services and property service work. Clearly, today's world demands collaboration, and no individual organisation can work as an island – not even the Isle of Wight.

One chief executive, who runs a relatively small authority, said the size of his authority meant it had to work with others. 'Relationships are essential for the success of any partnerships, obviously, but you also need a set of shared objectives. This desire to collaborate is partly because of our scale, but I think what really drives it is the culture in the organisation, both at the political and officer level, [it] is one of good old-fashioned public service.'

'Working in partnership is better than doing things alone. Clearly, we are not in a state of nirvana, because there is a lot more to do, but some things are moving very much in the favour of stronger and more partnerships.'

One chief executive highlighted that forming an accountable care organisation with local government reorganisation would put them in a much more powerful position to collaborate with the NHS, which operates on a much bigger scale. 'We would be in a much stronger position to develop better and more effective partnerships with health in all dimensions.'

However, the council chief also suggested there were significant pitfalls to collaboration. 'One of the weaknesses of being involved in so many partnerships is that we spend a massive level of resource on partnership relationships and if you simplify the whole organisation, you can devote more effort to outcomes.'

The chief executive said it could be detrimental spending excessive time working out how NHS governance fits with the local government finance

The MJ/BT round table attendees

| |
|--|
| Dawn Baxendale chief executive, Southampton City Council |
| John Coughlan chief executive, Hampshire CC |
| Andrew Flockhart chief executive, Poole BC |
| John Metcalfe chief executive, Isle of Wight Council |
| Matt Prosser chief executive, North Dorset DC/West Dorset DC/Weymouth and Portland BC |
| Michael Burton editorial director <i>The MJ</i> (chair) |
| Fionna Lindsay BT |
| Michael White BT |
| John Reynolds BT |
| Sam Clayden features editor <i>The MJ</i> (rapporteur) |

system, for example. 'This is kind of an argument against partnership, but it is about creating an environment where you can focus more on outcomes and transformation. We waste our lives trying to work out governance.'

Another chief noted there was a 'strong emphasis on multilateralism' around the table. 'We all have strengths and weaknesses. It's about trying to play to those strengths and working in partnership for those weaknesses.'

'I'm not about public good, private bad. We are all mixed economists now. But it can't be about giving us stuff that gives us the ability to "fail fast". We're not allowed to fail at all'

Austerity is regarded as both a barrier and a stimulus to innovation. One council chief admitted the financial strain had led to innovations: 'There is something very creative about the challenges we are facing at the moment. We just wish the challenges would ease off a moment to create a bit of space.'

Others around the table echoed the concerns about the harsh financial climate: 'The workforce has felt the pressure. We have taken out 78% of our top-tier leadership in five years, 30% of the workforce all the while delivering the same services at 45% less cost. But we can't keep doing that. We're one crisis away from something really nasty. Partnerships are really important for that.'

While local public services understood this, Westminster has yet to grasp it, the chief executive suggested: 'Central government is still not facing the same issues at the coalface, even if we are talking about

the number of civil servants. The politicians in central government are not dealing with it in the same way local politicians are, day in day out, because we are much closer to the reality. That closeness to the problem, you cannot escape, whereas if you're an MP, you can. If you're a secretary of state you're even further removed from it.'

All the chief executives agreed the extent of the pressures, but what is the best solution to tackling them when merging organisations? One chief set out three options: 'You can reorganise management and keep running different services, you can reorganise management and chose the better of two systems in each service, or you could reorganise and do a fundamental review looking at the best practice nationally of how to redesign the whole service. That latter one is the best way of producing better outcomes for less money.'

So where does digital come in and does technology help fill the budget gap? The chief executives broadly agreed it could, but not without serious self-reflection and culture change to accompany it.

One chief said: 'One of the challenges to the use of tech is making sure you are supporting staff in that transition. You cannot ignore your staff. You have to change the culture of your organisation. It is more about leadership than about the tech.'

'As a leader, you're saying it's important. When I joined I asked my cohort of middle managers how many use online services. I was shocked to find it was less than half. I need middle management to lead on that and be committed to it.'

But it is not just getting your staff within the organisation on side and up to speed. Residents, too, have to be prepared for the shift, and that is one of the major challenges, according to one chief executive: 'One thing that struck me was the readiness of the residents in accepting digital transformation. Customers were not ready for it. We needed to unpick that. You have to educate. It will take us some time to do that and to work out the best way to do it.'

This was a sentiment felt across the board. One speaker whose authority had done some research on residents' appetite for using online services versus coming into the council building was shocked that there was no single demographic that wasn't adopting digital. 'The vast majority of people coming into the council building were actually under 54. All had bank accounts, could pay by direct debits, but wanted someone to chat with.'

'This is the challenge around how we take our population from being dependent. If they have been spoon fed for years about this is how local authorities work, and then you suddenly do the shock treatment, close the cash office, shut the car park down, that's a massive fear factor. People don't like change.'

'Many don't have a landline but all have smart phones. They will go online but they want to come



in to see the council. It's a dependency relationship. That engagement online doesn't give you that personal relationship. From the wealthy to the poor. It's not all people in the most deprived communities. It's a surprising spread.'

One chief executive spoke of the need to look long-term as artificial intelligence and robotics look set to transform the way the sector operates. For instance, housing business plans are 30 years – what emerging technology could the sector capitalise on? There

are opportunities for fuel cells in walls, for example, but when will it be financially viable?

'Where's the next thing and how do we plan for that now?' one chief executive asked.

Bringing these types of innovations to the market, and working out what is realistic, is where the private sector needs to step in, one chief suggested. 'We never have the opportunity of doing this whole bit about R&D [research and development] and bringing things relatively quickly to market.'

'We simply haven't got time to keep checking what's coming. We need the private sector to really start to think of stuff that will genuinely change the lives of the citizens we are working with that is cost-effective.'

But one chief executive suggested the private sector could do a better job of understanding the environment in which the public sector operates. 'I'm not about public good, private bad. We are all mixed economists now. But it can't be about giving us stuff that gives us the ability to "fail fast". We're not allowed to fail at all. One of the reasons we feel slow is because we are not allowed to fail.'

Another chimed in: 'It is about really respecting each other's worlds and thinking about where collaboration can come. You need to make profit, we need to make outcomes, how can we generate opportunities that work. That's the key to this.'

'I think one of the messages to the private sector is think longer ends. So quick winning, the fast kill, those days are gone.'

BT's comment on the debate

Digital technologies and the right communications infrastructure have an important role to play in enabling the greater partnership and cross-sector collaborative working discussed at the round table.

Equally well, outdated, fragmented, incompatible legacy infrastructures can be a significant barrier to achieving the desired outcomes from closer cross-organisational working. And, as more services move online, effective cyber security measures are becoming more and more critical.

We have been helping local government and health organisations across the UK transform their operations for almost 20 years. We believe having the right relationships with innovative, stable and financially secure private sector organisations, able to take a long-term view, can deliver real value for local authorities.

Increasingly, this is about supporting local government on their transformation journey, rather than taking over operations in large-scale outsourcing deals as has been seen in the past.

We are working with several local authorities and NHS organisations in the South West region, such as Somerset CC and South Western Ambulance Service NHS Foundation Trust, on the infrastructures they need to implement secure cloud-based platforms that can reduce costs and provide a flexible base for the delivery of better, faster and safer services.

Our 'hothouse' approach can be used to help public sector organisations keep up with the latest technology developments and look at how these can be applied to achieve better outcomes for citizens and communities.

A 'hothouse' brings together our customers, BT experts and thought leaders from third parties to explore tangible solutions to specific issues and challenges.

Shared services, partnerships and collaboration are clearly central to meeting the challenges posed by austerity and rising demand – and the relationships between local public bodies and private sector companies like BT need to reflect this changing world.