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Devolution's time has come Burnham tells Future Forum

Greater Manchester mayor Andy Burnham was keynote speaker at the recent Future Forum North event in Manchester when he addressed chief executives on devolution.

He told delegates at the 24-hour event that devolution was the solution to the population's disillusionment with Westminster, an institution he claimed 'created Brexit'.

Adding that this was the 'century of the city region', he suggested claiming devolution would lead to a 'healthier political culture' and said: 'You can no longer legislate for the whole country. Devolution allows people to take control and develop their own story and [it] connects people to the political process at this level.'

'The over-centralised system where London dominates is the problem. It caused the problem and therefore it cannot be the answer. Devolution is the best answer to it that I can see out there. If we can prove the concept here we can strengthen this argument for devolution elsewhere and will begin to develop a healthier political culture in this country

and take decisions closer to where people are,' he added.

Joanne Roney, chief executive of Manchester City Council, told delegates having a mayor had brought an 'added dimension' to addressing economic and prosperity issues in the region. She said: 'Andy Burnham is a very loud and charismatic voice, but having a mayor really adds to the progress we are making.'

Chief executive of Newcastle City Council, Pat Ritchie, said she was 'delighted' with the devolution deal, which was announced for the region in the Budget last November. However, she added: 'We were disappointed that we didn't do a housing deal as part of the devolution deal. We see this deal as the first of many iterations.'

Trafford MBC chief executive, Theresa Grant, argued the British economy was skewed against the North, saying: 'The UK's productivity is behind other major European countries and the North is well below the UK average.'

Leeds City Council chief executive, Tom Riordan, said the Government's new industrial strategy briefly addressed



Andy Burnham, mayor of Manchester, sets out his plans for the region's future

inclusive growth: 'It was mentioned, but there was very little follow through of a

story of how this is getting to people who feel left out.'

Ministers 'must not divide and rule the sectors'

The NHS and local government should 'ignore' and 'aggressively challenge' unhelpful diktats from central government that are driving a wedge between local relationships, an influential health sector figure has urged.

Speaking at *The MJ's* Future Forum North conference, NHS Providers chief executive Chris Hopson said the NHS and local government were 'failing' to integrate at the required pace and called for a 'future reset' of the sustainability and transformation partnerships (STP) process.

Mr Hopson said: 'In places where it is working, it is despite, not because of, what is coming down from above. We need more and more from local systems to wrest control of our own destinies and, dare I say it, ignore all the stuff that's coming down from above.'

He said the sectors were aligned in their vision, which has been set out in 'so many



Merran McRae, Wakefield City Council

reports over so many years', but said: 'we are failing to deliver at pace that vision we all share.'

He added: 'The STP process turned into an NHS-led affair and it has not had local authorities fully integrated. The time has now come to address the fact that this has not happened and it's pretty clear a number of STPs are really struggling. We in the NHS need to take our fair share of the blame and I would perhaps admit it is the bigger share.'

Local Government Association chief executive, Mark Lloyd, told delegates the Better Care Fund had 'come to the end of its life' and rebuked its 'top-down nature'.

The SOLACE spokesperson for children and families advised: 'A good children's service requires chief executives to strike a balance between trusting their staff and monitoring them.'

Wakefield City Council chief executive Merran McRae told Forum delegates: 'You have to trust your director of children's

services. But, equally, you have to keep asking them questions. How you manage to do this without micro-managing is the challenge.'

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'There was a great line-up of speakers at the Forum as well as opportunities for networking and meeting chief executive delegates to talk about plans for enriching digital services. It certainly met our expectations.'

— Michael White, partnership director, BT

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Future-ready leadership

Jon Houlihan and Jody Goldsworthy, both of whom addressed *The MJ Future Forum North*, discuss local government leadership challenges in the context of devolution and the Northern Powerhouse

For any organisation, new challenges require a brief moment of pause to re-assess what it needs from its leadership. Any major change in strategy, direction or structure calls for a more extensive re-examination of the skills and behavioural traits necessary to ensure success. Local authorities, particularly those pursuing the devolution agenda, find themselves in exactly this position.

Given the scale of change in local government, building future-ready leadership requires much more radical thinking than what has gone before. Organisations need to establish a new framework to identify and assess potential leaders, which is calibrated to the situation they now face.

We should no longer rely on past assumptions and key performance indicators – because in a landscape of devolution, shared services and new delivery models, there is no established blueprint. It is completely uncharted territory.

If we want leaders that break the mould, pioneer change and have the courage to innovate under more empowered local governments, we must break the hiring mould, too. Until the sector stops judging leaders by yesterday's benchmarks and familiar viewpoints, we may be setting our leaders up for failure and we will certainly not be shifting the dial at a systems level to equip organisations with future-ready leadership.

So, how can local government organisations ensure they identify and hire leaders with 'pioneer potential'? What skills and behavioural patterns are most desirable? What changes can be made to the recruitment and assessment processes? GatenbySanderson has embarked on a year-long research and leadership benchmarking project, in collaboration with local authorities across the country to help answer these questions.

Courage and tenacity

It is inevitable during significant periods of change, that some things will not work as intended and devolution is no exception to this. Senior leaders face serious dilemmas – problems that through no fault of their own, cannot be solved or turned into win-win situations to the satisfaction of all. We therefore need leaders to have the courage of their convictions and the tenacity to make decisions, learn from mistakes and



Jody Goldsworthy and Jon Houlihan speaking at *The MJ Future Forum* in Manchester

continue in the face of failure.

Traditionally, in recruiting senior leaders, organisations are instinctively drawn to candidates that can provide a narrative with a neat beginning, middle and end – speaking in glowing terms about a successful project or initiative.

We can often undervalue or avoid talking about failure, be that an idea that didn't work out or walking through the iterative process of 'trial and error'. Pioneers will almost always have faced failure and those that go on to succeed will use failure to their advantage. When assessing potential pioneers for their tenacity, creativity and fortitude, it is these non-linear narratives that recruiters need to tease out and examine.

Our research, based on the ongoing assessment of chief executive officer (CEO) candidates under the Altitude Model – GatenbySanderson's framework for benchmarking effective leadership within public sector – revealed that a relatively high number of executive and senior leadership applicants did indeed demonstrate strong 'courage and tenacity', with 25% showing this as a key strength. Measuring this quality, as assessed during the recruitment process, is vital.

Long-term vision

Pioneering leaders need to think with a long-term lens. Amid the numerous priorities they already have on their 'urgent' pile, they need to push boundaries further and consider how we can harness advancements in future technology and thinking, not just those hitting our consciousness today. Those that pioneer change have real vision, and act upon it.

Artificial intelligence, for example, might be the latest buzzword, but it is likely

to change the shape of our workforce. Leaders need the ability to fast-forward ahead and adapt leadership accordingly.

Compared to the stretch benchmark, our research revealed high scores of 35% as a key strength across CEO candidates, which is encouraging. Going forward, organisations should question their recruitment processes to better attract and test this competency.

Driving strategic change

In the face of uncertainty and constant change, leaders need to be able to build relationships, effectively communicate with and influence others. Successful pioneers will quickly build 'followership' and empower employees to implement their long-term vision.

Increased cross-organisation collaboration and new partnerships complicate this challenge. Where services are increasingly being delivered across traditional organisational boundaries, leaders need the skills to not just talk about breaking down silos and building team unity, but actually deliver it. As one CEO said to us recently: 'We need to move beyond the rhetoric of partnership working.'

Our research revealed high scores among CEO candidates in terms of strategic clarity, with 31% displaying this as a core strength, though lower scores were seen in terms of impact. The scores did drop among senior and middle management candidates, which might indicate that leadership within the sector has real ability in setting out a clear strategy for change, but needs more capability in bringing along the rest of the organisation.

Successful organisational change relies on a supportive network and wide buy-in from employees. Those making the hiring decisions should therefore look carefully at

applicants' capabilities, as well as consider the development needs of those pinpointed for future leadership roles.

A balanced approach

In the face of intense pressure around funding and financial sustainability, local government leaders must have 'a social heart and commercial head', balancing compassion for citizens and service users with a hard 'commercial' outlook.

Given the current financial pressures, leaders need to identify new funding models to ensure the effective delivery of vital public services. This could involve the exploration of public and private partnerships, refined commercial arrangements and other models not yet considered.

We need our leaders to provide vision for how services will operate and they also need to be commercially savvy in order to broker these deals. All of this needs to be done with the resulting experience of service users in mind. Our research revealed that only a very small proportion of CEO candidates possessed real strength in this area.

This percentage decreased further among those applying for other executive senior roles. Ensuring organisations have the processes in place to identify those that do have ability here is crucial. Leaders need to ensure they constantly innovate delivery, protect margins and find new revenue streams, while ensuring quality for end-users.

Final thoughts

Developing a new framework for identifying and assessing local government leaders is central to driving progress and delivering positive results for local government and its citizens. Devolution, more for less and the constant pressure of new initiatives means there is no blueprint for success.

Though this creates significant challenges for recruiting organisations, it also presents opportunity. It encourages us all to adopt a pioneering spirit, with the chance to tear up the rule book, question accepted norms, bypass outdated procedures and, instead, try something new and more fitting for the agents of change and community shapers you are trying to attract.

John Houlihan is partner and sector lead for local government and Jody Goldsworthy is senior partner for leadership and talent at GatenbySanderson, the executive search and people development firm

Why high-quality social housing is not an impossible dream

The shortage of affordable housing is one of the greatest challenges in the UK today. To redress the balance, given significant population growth and years of under supply, around 250,000 new homes are needed each year, says **Mike Britch**, who spoke on the subject at *The MJ Future Forum North*. Here, he offers some case studies as solutions

Houses are about people, not bricks and mortar. The average house price to earnings ratio across England is 7:1, meaning young people are failing to get near the housing ladder.

Resolution Foundation research shows that today's young people are half as likely to own their home at the age of 30 as their baby boomer counterparts, and four times as likely to rent privately – causing a rise in exploitative landlords and poor-quality rental properties.

Social inequality is increasing as those with access to the Bank of Mum and Dad are the only ones who can afford to buy. And the most extreme effect of the housing shortage is an increase in homelessness. A December 2017 report by Shelter revealed that around 128,000 children are homeless or in temporary accommodation.

In 2015, Mark Carney, governor of the Bank of England, called the problems with housing the 'biggest risk' to the UK economy. As people move out to the cheaper suburbs, cities become less dynamic and individuals spend more time commuting. Those who are unemployed can't afford to move where work is available and the spending ability of those both in and out of work is reduced.

How did this happen? Overall, it is about supply and demand. We have gone from building over 200,000 new council homes a year in the 1950s, to the overall number of new homes now being well below that. Council housebuilding was limited in the 1970s and was never resumed.

Properties fell into disrepair and became the accommodation of last resort. At the same time, the population has been increasing. This has led to the situation where the supply of new homes is insufficient and the housing we do have is too expensive.

The solution is to get Britain building. This requires joint action by central government to build more homes directly or give housebuilders incentives to do so.

Local government needs to start planning constructively and dispelling myths of what social housing looks like; the private sector needs to start building rather than sitting



Mike Britch explains Norse Group's Carrowbreck housing initiative at *The MJ Future Forum North*

on plots of land; and communities need to recognise the requirements of thoughtful housebuilding and resist the temptation to go BANANAs (Build Absolutely Nothing Anywhere Near Anywhere)!

The Government is making many of the right noises. November's Budget built on Theresa May's conference commitment to make good on the manifesto promise of making £2bn available to renew the building of council and social housing.

Housing was a central issue and moves to tackle landbanking, speed up planning permission and increase construction capacity are all good news. The pledge of £44bn in capital funding for 300,000 new homes annually by 2020 was more than had been hinted at. There are grounds for optimism.

Working together

But these are tough times for local authorities. Austerity and budget cuts have

we aim to build properties that generate income to support council services, are an exemplar for future developments and achieve environmental excellence. We want to provide affordable, high-quality homes that are tenure-blind and within everyone's reach. We aim to rejuvenate the local economy through the supply chain and return income from the sales of new homes to the wider community.

Our first project at Carrowbreck Meadow shows that this is possible. Carrowbreck is an award-winning development of homes that meet the demanding requirements of full Passivhaus certification, are affordable to run and reduce fuel costs. Forty three per cent of the site is provided as affordable homes and the development has returned £1.26m to the public purse.

We also manage a significant property portfolio on behalf of our public sector partners. Through Norse Energy we have invested over £20m in renewable technologies to help tenants, clients and communities reduce their emissions, energy costs and alleviate fuel poverty. We have installed solar panels on four housing schemes, with the electricity generated going direct to the tenants free of charge.

Maintenance is the final piece of the jigsaw. If we are to create social housing that people want to live in, we must maintain it properly. By 1985, 45% of people living in council tower blocks were in the 10 poorest local authorities in the country. What happened last year at Grenfell Tower reinforced the importance of properly looking after our housing stock. Our facilities management company, Norse Commercial Services, provides a range of frontline services which do just that.

While the housing crisis is far from over, I am optimistic about the future. We must continue to put pressure on central government to create the right conditions and incentives for housebuilding to flourish. We will continue to work with our public sector partners to deliver housing that is high quality, affordable and tenure-blind.

We will care for our housing stock with pride. We will create castles on the ground; not in the air. Will you join us?

Mike Britch was managing director of Norse Group until January 2018

Manchester's CityVerve project

Delegates at *The MJ* Future Forum North event heard about a city-wide Internet of Things innovation by BT and partners, which will transform the public realm. **Professor John Davies** explains the benefits for Manchester, as a testbed city

Manchester's CityVerve project brings together 21 organisations – including BT – to create a blueprint for smart cities of the future. Running from July 2016 to June 2018, it sees local authorities, start-ups, universities and major technology partners apply the latest Internet of Things (IoT) innovations to a number of use cases. They'll show how IoT can help improve healthcare, make streets and transport safer, and inform and empower citizens.

CityVerve's use cases are based around four themes: transport and travel; energy and the environment; health and social care and culture and the public realm. From allowing passengers to 'check in' at their bus stop (so providers get a better picture of service demand), to smart lighting that responds to the movement of people, everything is designed to have a positive impact on Manchester's citizens.

Backed by a £15m collaborative R&D budget (including £10m from the UK government), CityVerve's use cases will show how a smart city programme can be rolled out across the world. They'll demonstrate the benefits that IoT technologies can bring, as well as the challenges of applying them at scale.

A project like no other

CityVerve isn't the first project of its kind to explore how IoT can improve cities, but it is unique. Manchester's local authority – thanks to increasing devolution from Westminster – has more control over education, health and transport policy than other cities, making it a trail blazer. That gives it more flexibility when it comes to applying IoT technologies, and using the data it generates to inform decision-making. The city's geography and demographic is large enough to make it a true testbed for other urban areas, too.

Collaboration at the centre

CityVerve's unique approach doesn't end at its local authority powers and geography, either. Collaboration is high on the agenda

here – between partners and with the public. With everyone working together and pooling expertise, CityVerve is pioneering a way of thinking that's never been applied to a smart city project before.

At the heart of this large-scale collaborative project is the need to do more with data, and take it outside of traditional silos. That job comes down to BT. 'Connecting the unconnected', that's how Professor John Davies, lead researcher at BT, describes BT's involvement in CityVerve. BT's IoT Data Hub – one of a handful platforms that make up the project – sits at the heart of CityVerve. It plays a vital role in bringing together hundreds of travel/transport and other data feeds generated by different use cases, sensors and organisations across Manchester. With around 200 separate data feeds to work with, bringing them all together in a way that is easy to manage, interpret and work with is vital.

By creating an IoT data hub, data silos can be broken down and developers can easily see what's available and use it as part of their applications. That lowers the barriers to participation when it comes to creating new services and solutions with CityVerve's data. That means everyone can get involved – from large organisations to individual, entrepreneurial developers. The combination of different data feeds means more novel and better insights, and therefore better services for Manchester's citizens.

The challenges of bringing together so many different data feeds go beyond making them discoverable. With many different data providers involved, BT had to make sure that their individual terms and conditions for data use were respected. As a result, the BT CityVerve data hub allows data providers to supply data feeds under their own terms and conditions, and even charge for usage, if they wish.

Smarter cycling

In one example from the project's 20+ use cases, BT are partnering with See.Sense, an innovative cycling company from Northern Ireland, to provide sensor-enabled and connected bike lights to up to 180 cyclists across Manchester as part of CityVerve, the UK's smart city demonstrator.

The See.Sense light sensors, known as ICONs, connect via Bluetooth to an app on Android phones. The app will



Professor John Davies speaks at *The MJ* Future Forum North

transmit anonymised data on the cyclist's environment – such as the quality of the road surface, light levels, as well as cycling routes, collisions and near-miss events – back to BT's data hub.

As explained above, many hundreds of IoT data feeds are collated by the BT hub and presented in a uniform way for innovators and city planners working with CityVerve. Easy access to the data will help developers turn innovative ideas into applications in many areas, including planning ways to improve cycling infrastructure, and creating policies to promote cycling in the city. The heatmap in Figure 1 shows popular cycling routes across Greater Manchester.



1. Greater Manchester cycling routes

Cleaner Air

Another area where BT has been active in the project is by looking at ways to improve air quality by understanding its correlation with traffic volumes. Figure 2 shows the variation of air quality over time on Manchester's Oxford Road, along with two dials in the lower half of the figure showing the traffic volumes on the northbound and southbound carriageways of the same road. Combining these data sources allows us to understand the traffic volumes which trigger air quality issues. As these traffic volumes are approached, traffic system interventions such as changes in signing and signalling can be implemented to reduce the traffic count and thereby avoid a potentially harmful reduction in air quality.



2. Oxford Road air quality data

Smart parking

The BT data hub collects real-time car parking data from across Manchester. Figure 3 shows live occupancy data from four car parks on the dials at the bottom of the screen, while the graph at the top of the



3. Real-time car parking data

image shows how occupancy varies over time.

Manchester City Council, BT and their partners on the CityVerve consortium are executing an exciting and innovative Smart City programme, implementing a range of use case to demonstrate how technology can deliver data-driven insights and analysis to help local authorities to maximise the use of scarce resources and to deliver enhanced citizen services.

Professor John Davies is chief researcher, future business technology at BT



The MJ Future Forum is in London on 26-27 April, 2018. Contact: Melanie Fry on 020 7973 6687 or email m.fry@hgluk.com