The rethinking of local government: fitness for purpose in a year for living dangerously

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SOLACE Foundation Imprint

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Local government faces some tough issues and will need to make difficult choices over the next few years. Delivering massive change and meeting rising expectations about the quality and responsiveness of services is demanding. Doing so while council finances are under the microscope will present an even greater challenge to those tasked to manage this through.

It is all too easy, given this fast-paced environment, for day-to-day pressures to dominate leaving little time for chief executives and other senior officers to stand back and reflect.

The focus of councils and those that work in them has to be the external world of service users, residents, partners and those democratically elected to serve their communities. But time also needs to be given to thinking through the longer term issues of future priorities, aspirations and challenges and whether councils’ structures enable them to be fleet of foot in predicting and responding to the future rather than muddling through “just in time”.

The 2005 Audit Commission/IDeA report on Fitness for Purpose in the 21st Century: Strategic Choice at Local Level in the New Millennium argues that, if councils are to meet the needs and realise the aspirations of local people and communities, they need to make strategic choices that reflect the local area and local political priorities. Councils also then need to ensure they are ‘fit for purpose’ in organisational and structural terms, so they can deliver on those choices.

**Significant change**

The models and options set out in Fitness for Purpose are especially relevant at the moment. The local government white paper (due this summer), the Lyons review of local government, the introduction of new electoral systems in Scotland in 2007, the Beecham review of public services in Wales and the restructuring of local government in Northern Ireland will result in a period of significant change for councils across the UK. Throughout this change, though, local people will expect services to continue to improve and to meet local priorities. We know from experience that this is possible, but that it requires clarity of direction and purpose from chief executives and council leaders.

The feedback we received from the original document was very positive and we know that many people did take the time out to read and reflect on the messages. This pamphlet, produced jointly by the Solace Foundation Imprint and the IDeA, takes the work one step further. First, the authors of Fitness for Purpose, Steve Leach and Vivien Lowndes, remind us of its key messages. Chief executives then explain what use they have made of the contents in informing
their council’s strategic thinking and how useful the ideal types – of service first, civil leader and community hub – are in exploring the implications of making strategic choices.

**Thought-provoking reading**

These responses, from councils in England, Wales and Scotland, make interesting and thought-provoking reading. What is most heartening to see is that while it may feel like a tough challenge at times, the belief in local government’s central role as democratic hub and community leader remains strong, as does the commitment to deliver ever improving and more responsive local services.

Lucy de Groot is executive director of IDeA and Steve Bundred is chief executive of the Audit Commission

We would like to thank all those chief executives who contributed their thoughts to this publication and to Anna Bawden at Public magazine for her substantial contribution with interviews and drafting.
The idea of “Fitness for Purpose” is a simple one – even, perhaps, a statement of the blindingly obvious. All organisations should be fit for their purpose in the sense of being clear about what they should be trying to achieve, and organising themselves accordingly. In a local government context this obviously raises questions of political choice at local level, combined with an appreciation of the functions entrusted to local government by parliament, and an understanding of how central government has overlaid local politics and parliamentary delegation with national service delivery requirements. It also raises questions of how much freedom of action local authorities actually have in developing their community leadership role, and in shaping their organisations to a local purpose when so much of how they function is determined by law or regulation in one form or another.

There is more room for choice than is often credited. More importantly, the possibilities for wider choice have opened up radically in recent months, and this is the context in which we present here both a framework for choice at local level and experiences from the front line in striving to exercise it.

Lyons, Miliband and more
This is (or ought to be) a momentous year for local government. Alongside the drives for higher performance and increased efficiency, and the continued emphasis on the key role of political and managerial leadership, we are being exposed to themes which are even more profound and which go to the heart of the purpose and future of local government in the 21st century. Through the Lyons and the Miliband agendas, local government in England is being asked to think about:

- The strategic role and functions of local government in modern Britain.
- The tension between national standards, minimum standards, and local choice, and the expectations of service users.
- The desirability of unitary local government in some places, and city regions in others, and “variable geometry” in between.
- Funding and accountability.
- How local government can help reconstruct a sense of community as part of a wider reconnection between government, society, and citizens.
- The value of empowerment, subsidiarity, and [double!] devolution as part of a central–local settlement in which accountability flows both ways.

Meanwhile the Beecham Local Services Review in Wales, the public ruminations of the first minister for Scotland about local government reorganisation, and the incomplete debate around local government reform in Northern Ireland all indicate that this is an agenda with UK-wide implications.

Indeed, it almost seems that the work of
the Thatcher era and the years of New Labour have been but the prologue and the first chapters of change. We should welcome the opportunity to help write future instalments, and even take the risk – if it is one – to live a little dangerously in our thinking this year. It is implicit to both Lyons and Miliband that unless local government and its communities play a major role in this new thinking, the emphasis on local authorities actively adding to the capacity of government at all levels will be seen to be premature. The extent to which local government is willing and able to shape and share the debate is a preliminary test of its consciousness and capacity to develop and deliver the new agenda in practice.

The centrality of place
Central to the momentous rethinking about local government is its fundamental relationship with “place”, and it is here that “fitness for purpose” is especially relevant.

The centrality of place is partly about questions of identity and community, and the roots of belonging which underpin the local “co-production” of a better quality of life between governments, citizens, neighbourhoods, and services. But it is also about how places change and develop as human settlements which need to face the new challenges of economic decline or opportunity; the change driven by demography or diversity; and the half-seen but critical long term project of modernising sufficiently to be able to hold their own amid the global and technological changes which influence us all.

Tackling such challenges is at the heart of the purpose of local authorities. It was always so in the best, but the responsibility for the social, economic and environmental well being of an area introduced through the community leadership function has made it fundamental and universal. Moreover, the responsibility is not just to “lead”, but actively to co-create with its communities the objectives to which that leadership must be applied. The prioritisation and choice which is required also brings local politics back in, resolutely and appropriately.

We are familiar with the idea that local government and public services have moved from administration, through management, and on to leadership. We now must see them as active orchestrators of communities and partnerships in which they neither set the course entirely themselves nor simply respond to expressed need, but engage with others in the co-creation of a local authority’s ambitions, and then in the co-production and co-delivery of solutions. In the relationship between place, community and identity it is not so much that we have pre-ordained “communities” which need their sense of self re-awakened. Rather (and increasingly) communities consist of (and do not just “contain”) a series of overlapping social networks with multiple identities through which local government must work with people and partnerships to create and nurture a sense of community.

In this process, local government must respect the organic nature of communities, and aim to build relationships as well as deliver better services. It is leadership through orchestration, engagement, challenge, and trust, and with elements of give and take.
Introduction

Framework and experiences
What does all this mean in practice, and how do we move beyond rhetoric, and into the job of identifying and making choices? This SFI pamphlet aims to provide some concepts and tools, and also some experiences, in making that journey. “Fitness for Purpose” has quite a history as a theme in local government, and in the mid 1990s I was one of many chief executives of newly-created unitary authorities who looked to a publication by that name to help make sense of building a new council. Fitness for Purpose (1993) was a groundbreaking analysis of the strategic dilemmas facing local authorities, and encouraged them to think through what kind of authority they wanted to be. In 2005 the Audit Commission and the IDeA commissioned two of the original authors from the 1993 project (Steve Leach and Vivien Lowndes) to work on a new report: Fitness for Purpose in the 21st Century: Strategic Choice at Local Level in the New Millennium – in order to apply the core idea to the new policy context which has developed since 1997. Their essay here restates the key analysis of that publication.

The framework they have developed is rooted in the need for authorities actively to assess the problems and issues facing their communities, and the constraints and possibilities that they face in addressing them. The authors who follow are local authority chief executives who have applied the analysis of Fitness for Purpose (2005) explicitly, or used similar ideas. Mike Pitt describes how the task of recovery at Swindon has been constructed around its themes – getting services right as a foundation for community leadership is one of his central messages. Darra Singh from Ealing also highlights the specific use he made of Fitness for Purpose in kicking off debate about the many dimensions of the council’s approach which needed changing. Irene Lucas, from South Tyneside, develops her own mantra – collaboration, capacity, communication, culture and community – to sum up how politicians and managers together decided to drive forward an authority which was in reasonable shape but was not hitting 21st century standards.

From Carmarthenshire Mark James explains the relevance of Fitness for Purpose in a devolved context, showing how the council’s central objective of regeneration connects to developing organisational capacity, culture, and arrangements. From Aberdeenshire Alan Campbell recounts a different tale of a highly successful economy, but where the need to re-invigorate democracy led to courageous political decisions.

Les Elton reflects on his time at Gateshead and again it is the role of politicians which he stresses, along with the need to change cultures and as part of that the need for radical reform in the behaviour of people and of the organisation as a whole. David McNulty from Trafford also emphasises the unfolding and unfinished process of conscious change and development.

Last (and how could they possibly be least?) Bob Kerslake and Barry Quirk describe how they reconstructed their organisations to make them fit for purpose.

The framework and experiences presented here are a testament to the will.
and capacity of people in local government to lead the rethinking process as we face the turbulent policy waters of Lyons/Miliband, and the rest. Bringing together relevant analytical frameworks with real experiences applied to authentic problems is a powerful exercise. Of the many issues which arise there is space to highlight just two.

**What is local government for?**
First, we need to be willing to rethink what local government is for, in its fundamentals. We can look back to the Victorians and in perspective see that local government helped that society to address profound challenges of urbanisation and of the local administration essential to the development of a modern state. We need clarity – and ideally some degree of cross-party and cross-community consensus – about the equivalent challenges of the 21st century. That will be difficult given the often haphazard accumulation of functions and services in local government across the 20th century, not to mention the legacies of sentiment and sclerotic opinion.

In the future local government will have to tackle:
- The need to connect to community and neighbourhood levels, and help create identity, belonging, and social cohesion.
- The requirement to provide (or ensure the provision) of excellent, appropriate services.
- The need to develop areas socially, economically and environmentally.
- In some cases, the need to operate as city-regions with global presence and impact.

We are increasingly used to the idea of “multi-layered governance” in which local government is only one layer, but we should also be clearer about the “multi-purpose character” of that layer in the context of the modern challenges facing society as a whole.

**Can we really lead?**
Second, are local authorities really geared up for the task of leadership? Do enough have a culture of challenge and reflection as opposed to the relatively comfortable culture of doing as they are told with a smaller or larger dose of salt depending on local circumstances? The authors of this pamphlet and the politicians they work with stand out because they are leaders. There are issues of attitude, culture and skills to tackle if local authorities are to own their own destinies.

But as well as questions, there are lessons in this pamphlet for political and managerial leaders across the country in their own search for transformational change. And there are lessons, too, for central government to take on board as local government rises to the new challenges.

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All local authorities are unique. They have distinctive settlement patterns, economic legacies and opportunities, social histories and political cultures, which combine to produce distinctive agendas of social, economic, and environmental challenges. Yet you would often not recognise this from councils’ corporate (or community) strategies. Many such documents consist largely of a litany of central government priorities – safer communities, social inclusion, economic regeneration, improved educational standards – with very little in the way of a distinctive local perspective on such issues (or a consideration of whether they should be given priority, given the local circumstances). The Audit Commission’s Comprehensive Performance Assessment (CPA) process is not always helpful in this respect because it stresses national priorities and appears not to value the “right to be different”. In a damning 2004 report on North Shropshire district council, for example, the Audit Commission criticised it for not providing adequate support for arts and cultural activities. Isn’t that supposed to be a discretionary activity?

This lack of expression of local uniqueness is not surprising, given the reactive mode which has been forced in local authorities by the stream of requirements and initiatives which have emanated from central government since and before 1997. It is not easy to develop a proactive, independent localist view, when there is so much that has to be responded to. Yet the future health of local government lies in councils’ readiness to recognise and express their uniqueness, identifying the distinctive strategic agenda they face and developing a coherent response to that particular combination of problems and opportunities. There is an adjustment needed in the balance between central and local priorities (an issue currently being played out in the Office of the Deputy Prime Minister’s Local Area Agreement pilots). How can local authorities “dare to be different”?

The strategic choice agenda
The starting point for choice is a clarification of the “real strategic agenda” facing a particular local authority – the interrelated impact of social, economic demographic and environmental change in the area. Dorset provides a powerful illustration of the way these factors can combine to produce a distinctive and meaningful strategic agenda.

Dorset’s residents are being threatened by an interrelated set of pressures for change, many of them generated externally. The county is very attractive to retired people (particularly near the coast), second home owners and for commuters working in London. As a result of these pressures (and
the development restrictions which accompany the high environmental quality of much of the land in Dorset), house prices have risen to a level which is out of the range of first-time buyers, or those with limited capital assets. (Average house prices in Dorset are nine times the average annual income, compared with six-and-a-half times in England and Wales as a whole.) This situation is leading to an exodus of younger people, and a difficulty in attracting employers, particularly in the small businesses which form a key element in Dorset's economy (other key employment sectors in the county, farming and tourism, have a low wages). This is leading to an increasingly unbalanced age structure in the county (30% above the national average in the 60-plus age group, and well below the national average in the 20–29 age group). Most importantly, there is a feeling that Dorset's existing population, with its strong sense of identity and pride in the county, is being increasingly displaced by “outsiders” who are financially better off than they are. Of course, a balance has to be found between the forces of continuity and change but there is a view that the current balance is unfairly disadvantageous to existing residents. Residents fear that these problems will worsen if effective action is not taken to deal with them. Indeed people often refer to a “doomsday scenario” in which, by 2015, Dorset had become a county increasingly dominated by retired people, second home owners and commuters, with an even more unbalanced age structure, and a dormant economy (dominated by tourism and farming) which had proved unable to develop its potential for small business growth because of the lack of affordable housing.

There are many other equally distinctive (but different) strategic agendas facing local authorities across the country. The implication for local authorities is clear. They have the right – indeed the responsibility – to clarify their own strategic agendas. They then need to continually assess, first, the extent to which central government priorities are relevant to their circumstances, and second the extent to which central government policies help or hinder the solution of the key problems. The starting point should be localist not centralist. Wouldn’t it be refreshing, for example, if community strategies included local priorities such as:

- “We want this area to change as little as possible. We don’t want growth and we’ll do all we can to resist it”.
- “We see little point in developing the local economy – we’re a dormitory suburb and always have been”.
- “Local people are getting a raw deal vis-à-vis tourists – we want to positively discriminate in favour of the needs of the resident local population”.
- “We recognise that there will be a long-term structural unemployment problem, and we should respond to this reality”.
- “Crime and disorder is not a problem here and there’s little point in allocating resources to dealing with it”.
- “This district has no real identity – we should concentrate on fostering civic pride in the individual towns and villages, not in the district as a whole”.
- “Affordable housing is the key to the
development of small businesses in this county, and the government’s spatial planning policies are a barrier rather than an aid to the provision of affordable housing”.

The process of local strategic choice

Local authorities should be bolder in setting out an agenda of substantive priorities that reflect a degree of understanding of local circumstances which could never be matched by central government. But there is another level at which important strategic choices can and should be made, and that is in relation to the strategic priority which a local authority wishes to give to the different elements of the government’s reform agenda for local government.

There are three key elements to the government’s modernisation agenda:

- Service improvement.
- Community leadership.
- Democratic renewal.

Although each of these elements will be of concern to all authorities, it is likely that different priorities will be attached to the three different elements in different authorities. The choice between the three main elements of the modernisation agenda is not either/or. All three principles have to be taken seriously. Service improvement, in particular, has been a major concern for all authorities, partly inspired by central government measures (Best Value and then CPA) and partly inspired by their own priorities. But other starting points are possible, where local authorities choose to prioritise community leadership or democratic renewal. As the CPA process evolves, greater central government attention is being directed towards community leadership and democratic renewal, building on the foundations of improved local services. Or, as an individual local authority makes progress in relation to one element of the modernisation agenda, it may shift its attention towards a different aspect.

We know that prioritisation is already occurring in practice. What is needed is to bring this process out of the shadows. Prioritising between different aspects of the modernisation agenda is a key area of strategic choice through which local authorities can express the specific demands and aspirations of their communities. Clarity in this area is necessary to ensure fitness for purpose, ie the development of organisational and political arrangements appropriate to strategic priorities.

There are three distinctive pictures (or “ideal types”) of what the strategic agendas of authorities might look like when they have chosen their priorities in each area of reform. There are distinctive implications in following these different priorities for an authority’s organisational culture and structure, its political leadership style and decision-making arrangements, and its attitudes to participation, partnerships, the private sector and e-government.

This essay explores the distinctive implications of prioritising through three imaginary, but entirely plausible, local authorities: “Greenshire county council”, “Castlemead metropolitan borough council” and the “London borough of Wythen”.

Greenshire county council believes that its most important task is to continuously improve the quality of its services.
Community leadership should be exercised in ways and through networks which have the potential to enhance service performance. Democratic renewal should be focused on the enhancement of the ability of customers to influence service provision. Among the key features of its approach are an emphasis on service-specific (or inter-service) partnerships, and an expectation that better, more responsive services will lead to greater levels of public satisfaction and higher electoral turnout. We characterise Greenshire as a “Service First” authority. To quote its chief executive: “This is a performance-driven authority. All our councillors and managers know that continuous service improvement is our main priority. It gives impetus to everything we do here. The Audit Commission inspectors were really impressed by our ‘state of the art’ performance monitoring system”.

Castlemead believes that its most important task is to work with its partners to develop a series of co-ordinated responses to the medium- and long-term problems facing the area. The council’s services should be designed and delivered in such a way as to contribute to these broader objectives. The emphasis in relation to democratic renewal should be to generate public involvement in and commitment to the community strategy. Among the key features of its approach are a politically-driven agenda, which seeks to exploit a wide range of opportunities, at regional, national and European levels, and a macro approach to community leadership that focuses on the city or authority-wide level, involving close relationships with stakeholders in the private and voluntary sector at this level. We characterise authorities like Castlemead as “Civic Champions”. To quote the chief executive: “Our priority is to make Castlemead a city of international status. That takes a lot of networking. There are weeks when I’m hardly in my office. We’ve got a good set of links now the people and agencies that really matter, but you’ve got to keep working to sustain them – you can’t take them for granted”.

Re-engage with the population
The London borough of Wythen believes that its most important task is to re-engage with the local population and give real meaning to the concept of local democracy. Public engagement should be the driving force not only in relation to service provision and delivery, but also in relation to the community leadership agenda of the authority. Among the key features of its approach is an emphasis on locality-based communities (through area committees and neighbourhood forums), but not at the expense of interest-based communities, and a view of the community strategy as a bottom-up process, identifying and combining the priorities of local communities. We characterise an authority like Wythen as a “Democracy Hub”. To quote the chief executive: “Working with local groups is our biggest priority. We have a real problem of apathy – the turnout at our last election was only 27%. Our aim is to try to build up a culture of civic involvement which means not just that people become more likely to vote, but that they’ll become more involved and more inclined to take some responsibility on in their localities”.

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None of these authorities are ignoring the aspects of the modernisation agenda which are not their main priority. But they are interpreting these other aspects in terms of their chosen priority. The starting point (for example democratic renewal) has a major influence on the council’s attitude to the other elements (for example service improvement and community leadership) giving a distinctive flavour to the council’s strategy.

Implications for the design of organisational structures and processes
A local authority’s chosen starting point should also have major implications for its organisational structures and processes. Organisational design is too important not to be treated as a crucial element of the process of local strategic choice. Organisational forms and processes are the means whereby strategic priorities are embedded in the day-to-day life of the authority. It is the organisational arrangements of a local authority that frame the daily decision-making of members, officers, citizens and partners. How an authority organises itself in relation to partnership, participation or political leadership has profound effects on who is involved in which decisions, and on the perceived feasibility and desirability of different courses of action. Local authorities which neglect organisational issues (or treat them as purely technical) miss out on the opportunity to bring their strategic purposes to life, often perpetuating arrangements that divert or even undermine their strategic purpose. They also miss the opportunity to orchestrate the contributions which can be made by all the various players to help achieve key objectives – politicians and their political parties, senior managers and all the staff of the council, and stakeholders and partners.

We can illustrate the way in which an identification with “Service First”, “Civic Champion” or “Democracy Hub” could have a profound influence on organisational design. Looking first at political structures, the following differences can be anticipated.

In a service first authority like Greenshire county council, there is likely to be a set of service-based portfolios for executive members, with the leader perhaps taking a non service-specific co-ordinating role and another cabinet member having responsibility for “external” issues. Cabinet members with service portfolios are held accountable for performance management, enjoying a significant level of delegated decision-making responsibility for the service in question (or an expectation of regular consultation from the relevant directors on service issues with a political dimension). The cabinet is likely to set up small working groups to supervise best value reviews, reporting to full cabinet.

The emphasis on service performance will be reflected in other council mechanisms, with overview and scrutiny committees identifying and challenging areas of poor performance, and appraising the process rigour of the best value reviews. It is likely, however, that overview and scrutiny committees will also be expected to develop policy proposals to deal with wider issues which the authority is expected to address (for example community safety). There will be an emphasis on overview and scrutiny working with the executive to support the
service improvement objective, rather than “holding it to account”, although this role will be important in cases of sub-standard performance or “performance failure”. The key role of non-executive members will be to assess the effectiveness of services from the perspective of service users.

In a civic leader authority like Castlemead, there will be a different set of organising principles in relation to political structures and processes. The leader will see his or her role largely in external terms, emphasising the importance of networking and alliance building. There will be an aspiration to leading the locality as a whole, rather than the council as an organisation. A civic leader authority may consider the “elected mayor” option for its benefits in relation to external visibility and direct accountability to citizens. Cabinet portfolios will be likely to mirror the cross-cutting priorities of the community strategy with services grouped to fit within the portfolios, or a specific service responsibility forming part of each cabinet member’s responsibilities. Each cabinet member will be expected to lead in relation to partnership working for their particular strategic priority, and each will be given a degree of latitude in these arenas, although major decisions will be discussed and approved in full cabinet. Overview and scrutiny committees will be expected to play their part in the civic leadership agenda, carrying out in-depth reviews of cross-cutting issues (with partner organisations co-opted on to each task force) and submitting proposals to cabinet. Where there is cause for concern, there will be scrutiny of the effectiveness of partner agencies in delivering shared agendas. A similar stance will be taken in circumstances where there is evidence of an adverse effect of the partner agency’s activities on the well-being of local populations. The key role of non-executive members will be to campaign for solutions to issues which concern local residents, whether or not they are the direct responsibility of the council.

**Challenge the executive**

In an authority seeking to be a “Democracy Hub”, such as Wythen, the primary focus will be on community re-engagement. Here the likely basis for definition of cabinet portfolios will be priorities identified by citizens (through consultation and other participation exercises). These may be service-based or cross-cutting in nature. There will be a high level of delegation of local decisions to area committees, which cabinet members will be expected to attend on a rotating basis. Area committees will work closely with neighbourhood forums composed of a wide range of local interests. Overview and scrutiny groups will operate on behalf of local people, reviewing issues which have elicited a high degree of public concern, and involving the public in the review process as co-optees or witnesses. Their role will include a readiness to challenge the executive and hold them to account where appropriate, but also a readiness to scrutinise other organisations on behalf of local citizens if their policies were giving cause for concern. Non-executive members will be actively involved on scrutiny panels and area committees.
Group discipline will be relaxed to enable ward councillors to act as genuine local advocates, so long as the core values of the group are not threatened.

There are also different implications of the three models for management structures. In a “Service First” authority, there is likely to be a traditional structure with clear lines of accountability. There will be service specific (rather than “strategic”) directors who have line management responsibility for large departments and budgets and a direct link to a cabinet/portfolio member. Career paths are likely to be direct: the director of education (or equivalent) is likely to have been a teacher or educational administrator, and the chief executive may well have come from a legal or finance background. Professional staff tend to be comfortable with this structure.

In a local authority seeking to be a civic leader, there is likely to be a matrix structure. Directorates based on corporate priorities will have less clear direct lines of accountability. Service managers may find themselves working to different directors on different projects. Power may rest less with big budgets and more with wide public interest and influential local partners. The centre may be somewhat disjointed from service delivery with members going directly to heads of service for day-to-day issues. This structure is more likely to appeal to staff with generic and transferable skills. Most likely to get on are those with experience in business process re-engineering, change management, partnership working and public engagement. Experience outside local government is likely to be an advantage, given the close relationships with other stakeholders and the need to “think outside the box” in developing new projects. Local government professionals may well feel disenfranchised.

In the case of the “Democracy Hub”, there will be attractions in a devolved structure where front-line services and decision-making are organised on an area basis, seeking benefits from joining up services locally and increasing public access and engagement. Strategic and support services will remain at the centre (like human resources or finance), but the slimmed down centre may feel remote from front-line issues. This structure will appeal to staff who like to “get their hands dirty” and have direct involvement with citizens and their day-to-day concerns. Joined-up working and multi-service teams will present more difficulties for specialised staff (who may feel cut off from their “community of practice”) and for those individuals affected by long-standing professional rivalries.

Response to new central government initiatives
Clarity about priorities would also help local authorities in structuring their reactions to the ongoing range of new central government initiatives. Are Local Area Agreements to be welcomed? Elected mayors? It all depends. Take the emerging agenda for neighbourhood governance and civil renewal.

Greenshire would not be especially enthusiastic about the prospect of new policies to “empower local communities”. The authority already has parish councils within its area and consults with citizens over service needs. Greenshire is more interested
in the potential benefit of using a neighbourhood focus to pinpoint areas for service improvement, in co-operation with service users and other delivery agencies [like health]. Castlemead too would have concerns about the neighbourhood focus of much debate on civil renewal and new localism. The authority is concerned that such developments may fragment the city’s identity and capacity, encouraging conflict between areas and justifying different policies in different parts of the city. The approach could undermine the authority’s hard work in building city-wide coalitions. Castlemead also has grave concerns about the democratic legitimacy of non-elected residents making decisions.

Wythen, on the other hand would be keen to experiment with different approaches to public participation, given the lack of interest of most citizens in political parties and elections. The authority sees the civil renewal agenda as supporting its strategy of further devolving decision-making powers to the neighbourhood level. Wythen welcomes the involvement of the Home Office, arguing that democratic renewal requires investment in social capital and active citizenship. The authority is concerned that any policy framework for civil renewal protects the interests of minority groups who may not be well organised or vociferous.

There will be those that argue that in developing these different “ideal types” we are oversimplifying the choice process facing local authorities and that real life is not like that! Of course, it isn’t – the agendas of strategic choices facing local authorities is more complex and messy than the way we have presented it. But in a situation where authorities are faced with a perpetual sequence of new ideas, requirements, opportunities and exhortations from central government, it is crucial to what could perhaps be termed a “core strategy”, to avoid a situation where an authority operates almost wholly in reactive [and often disjointed] mode. The benefits of developing a distinctive locality-based strategic agenda is that it provides a basis for countering the cumulative centralist tendencies of this [and previous] governments.

**Strategic choice agenda**

Let us also be clear that we are not suggesting that authorities will necessarily want to opt to assume a “Service First”, “Civic Champion” or “Democracy Hub” persona [although we have come across authorities whose strategic agenda bears a distinct resemblance to each of these “ideal types”). Some authorities will want to give equal emphasis to two of the dimensions, but not the third. Others will want to identify a completely different starting point, which leads to a strategic agenda which bears little relation to the three characterisations we have identified. What is important is the process, rather than any specific outcome. Local authorities should create the space and time to address this strategic choice agenda, and make some judgements about how they want to respond to those opportunities for choice that exist. They should make explicit those decisions about prioritisation and interpretation that are usually taken implicitly or informally – in the shadows rather than the sunlight!
Nor should any choice made now be seen as immutable. Contextual circumstances change, as do political dynamics. Returning to our imaginary authorities, we can anticipate circumstances in which the modernisation priority changes (and there are many other possibilities):

- Greenshire receives notification from the ODPM of revised housing allocation figures which imply a much higher than anticipated population growth rate over the next 15 years. It recognises that it needs to develop its community leadership role to work with other agencies in planning for this level of growth.
- Castlemead metropolitan borough council experiences an increasing volume of protest from local residents’ groups. While the protest reflects shortcomings in some services, it is mainly symptomatic of a public frustration based on the perception that the council is not interested in public opinion. There is a growing sense that prestige projects have taken precedence over meeting local needs, in the absence of mechanisms to facilitate participation. The council recognises this shortcoming and moves democratic renewal up its priority agenda.
- London borough of Wythen receives a critical CPA report which highlights deteriorating performance in some of its key services. Its rating drops from “fair” to “weak”, with concern expressed about the possibility of a further decline into the “poor” category unless urgent remedial action is taken. Wythen responds to this external assessment by carrying out a series of service reviews. The local neighbourhood forums are used as a key mechanism through which to involve the public in these reviews, reducing the focus (for the time being) on community development activities.

This crucial process of identifying and responding to key strategic choices should be politically led not managerially led. It is an opportunity for local politicians to blend their local knowledge with their political values to establish a direction which they feel is right for their area, and which can be used as a reference point in responding to centrally-inspired initiatives.

Dare to be different? We have four key messages for local authorities wanting to take up the challenge:

- Identify a strategic agenda which reflects the social, economic and environmental uniqueness of your area.
- Clarify priorities in the key elements of the government’s modernisation agenda.
- Ensure that your managerial arrangements and processes are “fit for purpose” in relation to your chosen strategic direction.
- Interpret what central government requires or requests of you in the context of your own set of locality-based strategic priorities.

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Provide the right ‘vision’ and others will follow
by Sir Michael Pitt, Chief Executive, Swindon Borough Council

Predicting the future is not easy. We live in an uncertain and complex world, and our actions can often produce unintended outcomes. Experience encourages us to approach this subject with a degree of caution and humility.

Nevertheless, councils are now required to exercise community leadership and have been given a power to promote the economic, social and environmental well-being of their communities. The very act of leadership requires an ability to “vision” the future and establish a sense of direction. Others will follow if that vision is sufficiently compelling and feels right for Swindon. Others may even sacrifice their own (narrow?) self-interests in support of the wider good. For this to happen, Swindon borough council needs a clear and attractive statement of what it stands for. A “promise” to the people of the borough that everyone is aware of and stays steady over time.

Society is changing – people are more diverse and have higher expectations. The starting point for any position statement is the principle that everyone has the right to control their own lives and that public services should be designed to encourage the independence of the individual through choice. There is also an emphasis on prevention and earlier intervention, with resources directed towards those with the highest needs. To achieve these ends, we need to work more closely with partners, including the independent and voluntary sectors, to make much better use of technology and to create a council fully equipped to meet modern day challenges.

Fitness for Purpose has reinforced important ideas which I’ve fully adopted. That is, until such time as a council has decent services, it can’t be a community leader, because who is going to listen? If you’re not delivering decent street cleaning or children’s services, no one will take you seriously if you start trying to give advice to other partners on how to improve their services.

Command and control
So the first task at Swindon was to get the processes and structures of the council in order so that we could start improving service delivery. Although the formal working system of the council must be well designed, they are seldom the factors which determine whether an organisation is going to be successful. In fact, over-reliance on them is dangerous and strategies tend to be “transactional”, based on command and control from the top and forced through by textbook managerial processes.

There are other criteria that are more important for success: ambition, top-to-bottom leadership, good internal and external relationships, robust performance management and investment in all staff, both elected members and officers.
Provide the right ‘vision’ and others will follow

With that in mind, we slimmed down the number of directorates from seven to five, in order to strengthen corporate management, to group services together logically and to fulfil the requirements of the Children Act 2004. The five directorates (children, housing and social care, environment and leisure, resources, partnerships and performance) are each headed by a group director, who has both a corporate and strategic role. Directors are more hands on, personally accountable for multi-million pound budgets, complex services and very large numbers of staff. We also redefined the portfolios of cabinet members to align them more closely with the organisational and scrutiny structures.

To ensure we recruit the best talent, we have increased the salaries for senior staff to include performance related pay. And we have invested in existing staff by introducing leadership training.

We are investing heavily in e-government and technology, replacing the central library, where the public can not only access books, but also a whole range of public services. A new contact centre will enable us to become a truly 24/7 council and we are planning bringing all offices onto a single campus.

We are now half-way through the recovery process – we have got education back, achieved one star for social services and have generally improved our CPA scores from zero to two stars. Our services are not yet wonderful, but they are at least on a par with the national average. We are now focussing on better community leadership.

The lack of public understanding about who is responsible for delivering what fudges accountability and the multiplicity of bodies frustrates the co-ordination of service delivery. Local authorities are expected to be community leaders and this means tackling pan-public sector problems, such as drugs or anti-social behaviour, by going beyond the traditional service delivery role. As the primary locally elected body for a geographical area, Swindon has a mandate to represent and act on behalf of the whole community, and to think across service silos and boundaries. The wider public sector looks to councils to take the lead in new forms of joint working at the local level such as Local Area Agreements and Public Service Boards. In Swindon, we therefore need to engage more effectively with the Swindon Strategic Partnership and look at the way we conduct our business.

Future development

Swindon is growing faster than any other borough. So the overriding job of the council is to plan for the future development. This involves focusing on rebuilding the town centre, preventing developers from putting up shoddy estates; maintaining good parks.

The final stage of my work here will be to build neighbourhood capacity. At the moment, we do not have all the answers. Many parishes already have the neighbourhood capacity to make sure the litter is collected and young people have something to do and so on, but how do we create this ability in our most deprived wards?

A council that is fit for purpose has the strength of management to deliver good services, the political and executive capacity to provide good community leadership, as well as being facilitative and adaptive enough to foster neighbourhood capacity – simultaneously.
A good framework, but no single model
by Darra Singh, Chief Executive, Ealing Council

The Fitness for Purpose model provides a framework for thinking through consequences and priorities, but it can also produce false dichotomies. At Ealing, we need to address all three aspects of the model. Circumstances and external pressures will cause greater focus on one aspect or another at any given time.

In Ealing for example, political priorities and external pressures have meant that in recent years, the council has primarily focused on improving its services and its customer focus. Work that began two years ago is now beginning to reap benefits, particularly on improving social services, education and housing, as well as the radical customer focus change programme.

Consistent track record
But on becoming chief executive, it was clear from the outset that the council faced and continues to need to deal with a considerable range of challenges. Whilst some services performed relatively well, Ealing still needed to demonstrate a consistent track record of achievement and consistency of leadership. The sheer scale and ambition of the change programme had left deep schisms and some internal and corporate processes were broken.

At the same time, the focus on internal change had meant that regeneration and community leadership roles were in need of improvement and clarification. As found in my time at Luton, there was a need for a clearer and more cohesive vision about where Ealing was going and wanted to go over the next 10 to 15 years. Members, partners and officers had different priorities, which vied for primacy and undermined clarity of purpose. In my view, this had an unhelpful impact on the culture of the organisation as it became both submissive and subversive. To tackle all of this, we are in effect working on all three aspects of the model at once.

First, we have re-built a corporate approach, strengthened key processes and systems and plugged a number of serious weaknesses. This has included:

• Developing a more open and constructive relationship between the cabinet and chief officers, especially with the new leader of the council.
• Exposing ourselves to external challenges by commissioning and completing an IDeA peer review of the council, which enabled us to confirm an ambitious and comprehensive improvement plan.
• Building a strong corporate board.
• Completing the review and repositioning of the council’s major customer focus change programme [Response] to link it more clearly to achievable targets and affordability concerns.
• Improving budget processes, dealing with significant weaknesses in the council’s finances for 2006/07.
A good framework, but no single model

• Delivering a new action plan and achieving level two of the Equalities Standard with a target of getting to level three by December 2006
• Second, and crucial to the above, however, has been the work we are doing in parallel to develop a long-term vision and a new Community Strategy for Ealing with members and partners. We have opened up honest and challenging conversations with our key partners by involving them in agreeing a vision for Ealing as well as sorting out Local Strategic Partnership (LSP) and other key partnership structures, so that members feel that participation is worthwhile and productive. The key issue here is that we did not just organise a series of workshops. We have also invested senior leadership capacity and time to ensure that there have been numerous iterations of ideas and conversations both within meetings and without in order to build the relationships necessary to strengthen key external partnerships, such as community safety, health, children and the LSP.
• Third, the visioning process has enabled council members particularly (but not only members), to discuss longer term and ambitious regeneration agendas. There are a number of things going on here. There is the basic process of capturing all the ambitions and priorities of leading members. There is the need to think carefully about the competing demands and needs of different communities and areas and how to prioritise. This is a complex process, requiring time and iterative consideration, which in itself is challenging in an election year. But it has been a generative process and members have already been able to take some bold decisions in the 2006/07 budgets as a result of the discussions taking place.

None of this is a one-off. We have deliberately built in a second phase to our visioning work, which will involve a major community inquiry after the election. We will scope this piece of work with partners over the next few weeks but it is likely that it will allow us to define and refine the democratic processes going forward. It will also allow us to consider how we can work more effectively with the police and other partners at area and neighbourhood level and, in particular, what community engagement and new concepts like “double devolution” will and should mean for Ealing.

Ability to deliver
All this is being developed in a context driven by national CPA targets (with a corporate assessment looming in January 2007) and other external drivers which threaten to continue to change the ground rules, as well as the geographical centre of power and decision-making processes. (We have just submitted our comments on the review of the GLA powers.)

In overall terms, the council has demonstrated the ability to deliver, but in order to be truly fit for purpose, it is always essential to clarify our longer term vision and goals, which need to connect with local people’s experiences and aspirations. We also need to improve our community leadership role and be clearer about what effectiveness looks like, ramp up our delivery track record and strengthen the effectiveness of partnerships in particular
the LSP, which will need considerable development if we are to deliver our emerging vision.

Finally, we need to ensure that we invest to develop individuals to maximise their contribution and potential. This includes working with members to address development requirements, using resources from the IDeA and others to assist with this. Equally, it is important that we invest in our staff to ensure that we achieve the organisation’s goals and improves the experiences and outcomes for local people. Then we can truly say Ealing is fit for purpose.

So for me the Fitness for Purpose model is more of a catalyst, it provides points of reference enabling and assisting us to think about all the different aspects of our role and activities and how they relate to each other because the complexity of a diverse London borough does not allow us the luxury of choosing a single model.
Vision, values and a focus on key priorities
by Irene Lucas, Chief Executive, South Tyneside Council

It is sometimes easy to assume that because results have not necessarily been bad, there is no cause to rethink organisational design. This was the trap that we had fallen into at South Tyneside during the 1990s. But the driver for change came in 2001 with the realisation that we were not as good as we thought we were.

When our first major external inspection, an Ofsted visit in 2001, criticised the leadership and management of the local education authority, we could not understand where we had gone wrong. Our overall performance indicators had been good and to be criticised in this and subsequent inspections was a real shock.

The leader, councillor Paul Waggott, set up a modernisation team, whose honest and hard-hitting report acted as the key catalyst for the huge subsequent structural reforms. I was brought in as the new chief executive in June 2002, alongside a new executive team, some new heads of service and revitalised partnerships. Of the workforce who achieved the subsequent changes, 99.9% are the same colleagues who had worked under the previous structure.

Back in 2002, the challenge could not have been more apparent: the council had failed its Ofsted inspection, had uncertain prospects for social services and there was the threat of a corporate governance inspection. Changes were urgently needed. The reason the council had failings was partly because in order to make savings in the early 1990s, a whole strategic level of officers was taken out of the council. This meant there was a strategic deficit of national know-how. While there was still very good understanding of what was happening on the ground locally, the absence of these officers led to lack of awareness of national trends and developments in legislation.

Moreover, the council was pulling against itself internally, its partners and, at times, the communities it served. This was perhaps inevitable given the plethora of different and often conflicting objectives produced.

Radical cultural change
Rather than start with the easy stuff, the leader and I decided to focus first on radical cultural change. To do this, we needed more detailed understanding of where we were going wrong. So we consulted both internally and with all our partners (in the private and wider public sector) to find out exactly what we were like to work with, what we did well, where we were ineffective or irritating and so on. We learned from the consultation that we needed to be more open, transparent, as well as consult more consistently and earlier.

The consultation also helped us establish real priorities for the borough. This provided the clear direction we had so sorely lacked and enabled us to develop a stronger external focus and join up initiatives.
Collaboration emerged as a major priority. So one of the first structural changes made was to instigate a “one team” approach, where everyone, members, officers and delivery partners work as one team across the council. In heads of service performance agreements, they can only succeed if they have contributed to the success of the others. And they meet to have a working lunch together once a month. It may sound obvious, but regularly networking ensures better working relationships and therefore more co-working.

**Leadership programme**

Integrated top teams were all very well, but we also needed to change the culture and style of delivery to help motivate everyone who would be taking on this challenge with us. Motivating everyone in a council to pull in the same direction is not an easy task. We began to tackle it through a new management and leadership programme, which we developed with the Audit Commission initially, and subsequently through work with the Leadership Centre, GatenbySanderson and the IDeA. The aim was to ensure that energy was focused on working together to deliver a shared plan, rather than allowing silos to build up. Political, managerial and community leadership has to be co-ordinated.

To bring everyone on board we used face-to-face communication with high-profile events describing the South Tyneside story and bringing our plans to life, together with awards to recognise achievement. Although we have a clear plan and determination to deliver, we recognise that leadership is distributed throughout the council so we also need to listen carefully to what our colleagues outside the town hall are telling us.

Having improved the culture, the next task was to stimulate greater community engagement. In 2003, we began pilots in six neighbourhoods to work alongside residents in improving their local area. We appointed neighbourhood managers and Northumbria University to help train the natural community leaders to become advocates for their area. These advocates work with council community members to identify which services are working and which are not. Together they come up with an action plan for their particular neighbourhood. The whole process from appointing a neighbourhood manager to approving the neighbourhood plan takes nine to 12 months, but the results speak for themselves. In the pilot areas, anti-social behaviour has plummeted, for example, and participation in local meetings is up. We are now going to roll out the pilots to other neighbourhoods.

**Big improvement in satisfaction**

Importantly, as a result of the structural changes and better community engagement, service delivery and satisfaction with services is also improving. Our most recent scores for cultural services were among the best in the UK, our CPA assessment found South Tyneside Council is improving well – we were awarded three stars in the harder Audit Commission test and our children and young people’s services were singled out for praise. Resident survey results also show big improvements in satisfaction with our services. The greatest improvements are in...
Vision, values and a focus on key priorities

services that matter most to our communities. Our employee satisfaction rates are up across the board.

One of the big lessons we have learned through what has been an accelerated process affecting everyone in the council, is that we will always have to run to stand still. Maintaining the momentum is difficult and we need to find new ways of driving our plans and ambition even deeper into the organisation.

Everyone has a valuable role to play

The conclusion I have reached about organisational design, after four years in the job is that fitness for purpose has to begin with leadership from the top with a real commitment that everyone working for the council, members and colleagues, have a valuable role to play. Otherwise reforms will not be successful. Structural shape is secondary as we move towards greater collaborative and thematic work. It is vision, values and a focus on priorities which are paramount. Once these are clear, then you have to work on engagement both within and outside the council. If the community doesn’t feel it is listened to, they won’t believe it even if services do improve. Only when all of us are working well and in the same direction can we really hope to transform delivery and stimulate regeneration for the communities we serve.
A useful thought process, rather than a systematic plan
by Mark James, Chief Executive, Carmarthenshire County Council

I found Fitness for Purpose very useful in helping me assess which direction we were heading in and why we needed to re-focus to deliver. It also helped to clarify areas of strength, as well as where we were weaker. I would consider Fitness for Purpose as a useful thought process, rather than perhaps a systematic route plan that should be followed rigidly.

It is a helpful way of explaining what kind of organisation you need, whilst articulating your own vision for the area and feeling confident to defend that local aspiration. For example, have we really thought through what we are about for the next three years, where we are placed and what we should be doing? How does what we are trying to do need to be reflected in how we are structured to deliver?

In Carmarthenshire, our vision is one of regeneration. It is the overriding focus of both our management and corporate strategy. In fact, I was specifically brought in as chief executive in order to push regeneration in the area.

It was hard for the council to spearhead economic development when the various drivers of regeneration were located in such disparate departments. Planning, for example, was in highways, European affairs in the chief executive’s department, community development in education.

So one of the first things I did was to create a regeneration department that included all the necessary key elements. The new director runs the £450 million Regeneration Masterplan, which was jointly agreed and has a joint funded plan with the Welsh Development Agency. Over half the public sector budget comes from the EU in the form of grants for economic development and job creation.

Charter mark status
We are reorganising many other council functions, including housing, leisure and even the local education authority to fit in with our regeneration programme. Children’s aspirations need to improve and we have a part to play in this. So we will be spending £750 million in the region, over a five to seven year period, including building 20 new schools and spending £140 million on housing. The results seem to be paying off. In the past 18 months, our housing department, for example, has gone from being a very poor performer to winning charter mark status and great acclaim from our tenants, who can see the difference.

It was also important to streamline the management function. So instead of six directors, we now have five, four of whom are new; 33 heads of service have become 24; and 130 middle managers 90. Our district auditor has responded very positively to this, pointing out that this streamlined management has given a much greater sense of clarity and responsibility throughout the
organisation. In his report on our management capacity, he also comments it has created greater corporate support at chief officer and head of service level and a sense of great enthusiasm. It has also helped to create the “positive direction of travel” year on year highlighted by the auditor in a variety of reports over the past three years.

The other council imperative has been to improve performance, but focusing on results for customers. Ultimately, structures need to be designed around the customer, not what’s easiest for us. This means enabling Mrs Jones at No. 9 to get her dripping tap fixed quickly, without having to speak to rafts of different people over a long period of time, which is what used to happen. Now it doesn’t, one manager has responsibility for and is accountable for providing the service.

Schools as customers
We have asked schools, as part of our reorganisation of the LEA, to tell us where they think we are providing a good service and where we aren’t. We are then asking staff to think about how to make the experience more satisfactory for schools as customers.

We have established customer care improvement teams, staffed by front-line staff from each department to assess how projects and processes they are responsible for could be improved. The staff present their findings to me, directors and senior members. Combined with our annual customer awards ceremony, employees from the street-sweepers and receptionist to top management are incentivised to really put residents’ needs at the heart of what they do. This system works incredibly well to foster ownership among staff and of the 40 teams involved over the past three years, there have been some superb suggestions that have made a significant improvement to the way we deliver services.

As a result of focusing on regeneration and customer centric services, satisfaction rates from our residents have gone up substantially and more younger people are standing for council. Voting numbers are also remaining strong. We recently undertook a full resident survey and were able to compare direct with the results from 2001. There were significant improvements in almost every question area covering all elements of service. Overall positive satisfaction with the council moved up 25 points to plus-54 and some 78% of residents stated that they were either very satisfied or satisfied with council services overall. Forty-nine per cent also believed that the council provided very good or good value for money. This was a tremendous result, especially in view of the debate on levels of council tax across the country in the past two years or so.

Fitness for Purpose helped to put all this into perspective and I believe is a useful tool for senior management in councils to consider what they are trying to achieve and how they might need to be structured accordingly to deliver. It also provides confidence to say that what is important locally is as important as national drivers.
We need to engage more with residents and partners
by Alan Campbell, Chief Executive, Aberdeenshire Council

Aberdeenshire’s priorities are informed by a number of particular, if not unique characteristics. At 1.3%, we have the lowest unemployment rate in Scotland, so economic regeneration is not an issue. Similarly in Aberdeen’s travel to work area, our schools are not suffering from falling rolls and in Aberdeenshire itself the population has increased by 50% over the past 30 years on account of the burgeoning oil and gas industry centred in Aberdeen. School performance is well above the Scottish average and with residents’ health and housing being better than the Scottish average, Aberdeenshire is not much of a priority for Holyrood.

The oil and gas industry is vital to the well-being of the area. International companies operate here and their staff, who are cosmopolitan, expect very high standards of service provision. However, the Scottish Executive funding formula is such that deprivation is a critical indicator and since we do not score high on that we are funded 12% less than the average council in Scotland. As a result resources are tight.

A priority, then, for Aberdeenshire is continued economic development in and around the oil and gas industry including the development of renewable energy, as well as ensuring that the traditional activities of farming, fishing, food processing and tourism continue to flourish. In the context of oil development, the windfall tax the chancellor announced to levy on oil companies in the pre-budget report was bad news. Taxation of these industries affects inward investment, so the new tax could impact significantly on the area’s fortunes.

Another concern is getting enough people into the area. Despite the boom in population, there is a widespread projection that in 15 years’ time we will not have enough people here to fill all the jobs available. The area is regarded as particularly attractive and many people are moving here from other parts of the country to achieve a higher quality of life – nevertheless numbers will need to increase.

Reinvigorate local democracy
In terms of structural arrangements, the council and Scottish Executive elections in 2007 prompted us to think really radically about how we can reinvigorate local democracy. Because Scotland has a system where the Scottish council and Scottish parliament elections are held on the same day, the turnout for the Scottish council elections is the same as the parliament elections at something just over 50%.

The move to the single transferable vote for the council elections in 2007, will have the effect in Aberdeenshire of reducing 68 wards to 19, with three or four councillors in each. We need to consider how we might encourage a younger and more diverse cohort of
We need to engage more with residents and partners

councillors. First there is the recognition we need to rid ourselves of the stereotypical image of councillors being males over 50. The Scottish Executive is likely to announce very shortly that they will be giving “golden goodbyes” to long-serving councillors. More significantly there are also resources to be made available and there is a proposal that councillors’ salaries will be £15,500 a year and that they will also be eligible for the council pension scheme. Currently most young people cannot afford to take on the role of councillor. It will be interesting to track the impact that these measures have on recruitment and engagement.

In Aberdeenshire we have organised ourselves structurally somewhat differently. When the council was created just over a decade ago, with three districts and a part of the regional council we decided against a cabinet or executive structure; instead we have a small number of policy committees and Aberdeenshire is divided into six areas each with its own committee. Every councillor is automatically a member of their local area committee. The council considered that such a large geographical area required a local presence and local decision making. Each is supported by an area manager who is a member of the management team. The courage displayed by the political administration was in knowing that three of the six areas would not be under the political control of the administration given the political composition of these areas. It has worked extremely well over the 10 years with no regrets.

So far as senior management is concerned I took the decision to have all the directors located together on the same floor next to me at headquarters. In this way collaboration and interaction in the management team where we all have corporate responsibilities is significantly enhanced. Our responsibilities focus on cross-cutting issues and in maintaining a sense of overall direction.

Multi-member wards
As part of democratic changes next year, we are reviewing for 2007 what the council should look like in terms of structures but most significantly how councillors will operate in multi-member wards, the committee structure and whether the budget is sufficiently policy oriented.

We don’t know the answers yet, but we do know that whatever structures we come up with, we need to increase the nature and degree of communication with our constituents and improve partnerships. To date, we simply haven’t invested enough in either. Having largely cracked how best to improve democratic accountability we now have to engage much more with partners and residents alike. Only then will we be truly fit for purpose.
Follow your instincts and do the right thing

by Sir Les Elton, formerly Chief Executive, Gateshead Council

I am not sure what organisational development was called in 1984, when I joined Gateshead. While many chief executives thought deeply about those issues, there was clearly a different set of factors and so the solutions would have been different to those of today.

There was a basic tendency to organise on the lines of the various professions and this approach (while giving obvious strengths in tackling the then major tasks) did make it difficult to respond flexibly to new challenges. I have been very fortunate to experience, of what were then, cutting-edge concepts such as corporate planning and area management at Stockport, as well as area management in Newcastle, and working with first chief officer groups at Nottingham. Although this seems very old hat, at the time it taught me that there is never one right answer on organisation – there are always equally valid but different approaches that make an authority fit for its different purpose.

The period from 1984 to 2004 was characterised by a number of shifts in organisational approach but none altered our values. Generally we tried to make changes appear to be a development of our existing approach, but when we decided to undergo radical change in what might be described as "modernising" in 1996/97, we took a very different line. As we were intent on a change in culture, we stressed at every turn the need for radical reform in behaviour of people and of the organisation. As a part of the changes, we moved from having 15 chief officers to eight and introduced a cabinet structure. But the key elements of change were about culture – about the way in which we all (councillors and employees) behaved and did things and related to the world. These changes were about becoming open, about removing control and achieving empowerment and about focussing on outputs and the experience of the community rather than on our own activity.

Councils go on forever

It is worth noting that in my 20 years as chief executive, the annual budget and number of employees remained the same in real terms. Certainly all sorts of new organisations emerged to remove functions from councils; some prospered and some disappeared. Similarly councils have been given new responsibilities or have created them. But, overall, councils seem to go on forever. And structures are much less important to effectiveness than people – they are what people use to understand their own relationships.

The difficulty of making structural change should not be underestimated. It can end up simply increasing costs and harming outcomes. But structural change is often attractive because it is within the comfort
Follow your instincts and do the right thing

zone of managers. By changing the organisation you don’t have to deal with the thornier issues of cultural change, which involves changing people’s attitudes and working practices.

The key to our success was always in the politicians of Gateshead and their very strong combination of ambition for the city and its people, proper governance not tainted by the pursuit of self and their challenging but supportive approach to their managers.

We were successful throughout my time at Gateshead in improving services and securing major developments and regeneration projects, while also responding to our residents at a personal level. Through combining achievement at a strategic level and at the personal and local level we maintained public support when many struggled to pull this off.

Thoughtful and responsive

Gateshead has a number of specific major achievements to be proud of, including the Metrocentre shopping and leisure development, the Angel of the North, the Gateshead Millennium Bridge, and the Sage Gateshead concert hall to name but a few. We were also among the first 22 excellent authorities in the first CPA.

We were constantly thoughtful and responsive to the changes in our external environment and always looked to the future rather than the past – we took a strategic view. Indeed, I think that for any organisation to be successful, you need to constantly take stock of future demands on it and what changes might be necessary for the future.

I think Fitness for Purpose contains a lot of very useful analysis but I would always fear that the Audit Commission will look to test people in some way against the contents. Councils would end up constrained by a spurious consensus that has been forced upon them. I also worry that chief executives and their advisers may adopt the thinking in the report without applying their own thought – you should always follow your own instincts.

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Importance of public service is the key driver
by David McNulty, Chief Executive, Trafford MBC

Thinking about the structure at Trafford metropolitan borough council gave a fresh twist on the debate between “intelligent design” and evolution. There were many specifically ad hoc and/or interim arrangements, each adopted and adapted for good reasons. Some of these were long-standing. There were clear anomalies. There was no obvious coherence to the arrangements, other than at the points when particular decisions were made the ones taken seemed most sensible.

I decided immediately not to undertake significant organisational restructuring when I joined Trafford MBC last year. In the month before I arrived, I did establish an email discussion group with the 40 senior managers to consider the structure. Out of this we were able to agree how to resolve obvious anomalies and to confirm interim arrangements that had been in place for more than six months. I also explained my strong view that we would have a continual process of refining our arrangements.

I decided against significant restructuring for several reasons. I did not want to add to the anxiety and uncertainty that was already there. It felt too inward looking and might send the wrong underlying message to partners and residents. I wanted our energies focused on other things which are more important:

• How would we improve our relationships with local people and partner organisations?
• How would we improve the leadership capability of individuals, teams and Trafford MBC as a whole?
• How would we reach, articulate and affirm a shared understanding of Trafford as a place, its position in the world and therefore the futures available to it; our values; our purpose?
• How would we communicate more effectively with each other?

Budget settlement
The backdrop to all of this was that we faced a corporate assessment/Joint Area Review six months after I arrived. It was crucial that we did not let CPA/JAR preparations drain energy. And that we did not do anything for CPA/JAR that would obstruct the real journey we wanted towards our understanding of excellence. The weight of that inspection regime has been a major constraint on the speed of change.

Our other major constraint is our appalling budget settlement. However, it has led to a flourishing of ingenuity among managers. I’m always surprised that for councils which follow a core competences model “ducking and diving” isn’t listed explicitly.

I liked Fitness for Purpose. It was valuable for triggering ideas about what was important for me to focus on. This was particularly true where I found myself arguing with it. I had a general worry that, as with other key concepts, we might be using
the same words and language to mask important differences and divergent agendas. The example of where an apparently shared discourse around lifelong learning has left us in real terms should make us all cautious. The question of power is not sufficiently addressed. There needs to be more emphasis on the essential artificiality of political boundaries.

It does emphasise the importance of context but doesn’t challenge strongly enough the tyranny of good practice. It’s been important for me to understand how the context of Trafford, especially its specific history, interacts with the mechanisms that are available to achieve aims. As Trafford has evolved how do previous strategic (evolutionary) choices constrain what is possible today? Or even, how do the shared stories of that past constrain our choices? Yes, local government does make its own future, but manifestly not in circumstances of its own choosing.

My debate with the report encouraged me to work with councillors, staff and partners on our story and identity; our position and its relation to the dimensions of power; the changes we wanted; the leadership required to achieve those changes.

I have led workshop discussions about the relationship between the three ideal types listed. We have agreed that our purpose is to enhance the quality of life for people who live, work, play and relax in Trafford. We have committed ourselves to enabling improvements that people can recognise, appreciate, value and (as we’re in an ideal world) give Trafford Council some credit for. We think there is an obvious prioritisation in the sequence of attention on the key elements of the three types. Without the credibility of getting the basic day-to-day services right why should anyone spend a moment listening to us about anything else?

The council’s success in strategic positioning has significant day-to-day implications for local people. And, if people in Trafford are to prosper, then we need to ensure that they are equipped to know and understand the changes that are happening in the world; acquire and adapt the skills to respond to these changes; appreciate how they can intervene to shape changes.

**Key driver**

Finally, the sequence of ideal types becomes a loop for us by moving beyond customer service to a re-imagined public service. We think a commitment to the importance of public service is the key driver to improved service performance. Even more importantly, the key changes that will improve our quality of life and make us more happy are about renewing civil society. They depend on being co-produced by the public through significant changes in behaviour.

Our role is to facilitate the discussions that would underpin these changes. Our model for this is the huge success we’re having with friends’ groups. Different parts of our organisation will always be at different points in the loop. Therefore, it is crucial to be a further ideal type: the communicating council. As we improve our relationship with local people, our ability to achieve other improvements is enhanced.

A year zero approach wasn’t practical (and why would we want one?). The overwhelming
The importance of public service is the key driver

Majority of staff I inherited would have to be the ones who would take us to excellence. Many of them have been loyally serving Trafford for a long time in challenging circumstances. As everywhere, our culture has residual (hierarchy, blame, keep your head down, only do what’s explicit in your job description), dominant (this is what the Audit Commission/other inspectors/government is telling us to do) and emergent (this is how I think I could make a difference) features. We’re trying to root out the residual, emphasise the leadership dimensions of the dominant and reward the emergent.

Roadshows
The belief is that if we are fit for purpose as people then the structure will take care of itself. I made three pledges. I would be an exemplary leader. I would visit every member of staff in my first year to thank them for their contribution and listen to their feedback. I would walk around every neighbourhood in the borough to learn about how it feels to live here.

We’ve invested significantly in leadership development and improving communications. We’ve agreed our definition of exemplary leadership and all managers are invited to sign up to it. We’ve agreed our definition of excellence. We’ve worked with hundreds of partners to agree a new community strategy with a shared aim of where we want to position ourselves. We’ve developed strategies for each of our 21 wards that align with the community strategy. Over the next six months we’ll be taking roadshows out to every neighbourhood to discuss both strategies with local people. All of this is based on four main questions: what’s Trafford like? What do I want it to be like? What contribution do I want to make to changing Trafford? What commitment am I willing to make?

Our leadership framework is the glue that will keep us purposeful. Of its various elements three are distinctive. First, we will mobilise through inspiration rekindling our purpose and passion for public service. Second, we see personal mastery as the key to improved performance and fundamental to each and every person embracing their personal and professional power and responsibility for impacting positively on those they serve. Third, we will embed real-time feedback and personal impact assessment as fundamental cultural practice.

We have used the Participation Compass© to clarify our thinking about the complex challenges facing Trafford (for details about the Participation Compass contact Louie Gardiner: louie.gardiner@potent6.co.uk). The Compass enables us to be explicit about our purpose; consistent and aligned in interactions with stakeholders; transparent about the power we have between us and how much we are able to share.

Is it working? Many staff are volunteering feedback about pride in their work, improved positive mood and ideas about the leadership and talent programme. Each week I get feedback on my personal performance I sense a real shift from cynicism to scepticism among people who have good reason to question the council’s promises. There has also been an improvement in performance indicators.

I’ve got a lot more walking and listening to do, but I think we may be on to something.
Working together has brought self belief in a city reborn

by Sir Robert Kerslake, Chief Executive, Sheffield City Council

Organisational design is an individual matter; whenever you look at how a local authority is or should be structured, it has to be placed in context. Not just politically or vis-à-vis other public sector partners, but geographically and economically.

When I joined this council, we were faced with the double-whammy of severe economic shock (Sheffield had lost approximately 25% of its jobs with the steel closures), as well as a financially challenged council. It had responded to such massive unemployment by creating a lot of jobs and by seeking to regenerate the area through investment in sport and culture. Eventually this had caused financial problems of its own and the council then had to face a long period of retrenchment to rebalance its books.

Corporate working was weak. Despite some pockets of high quality, overall the sum was less than the parts. And basic systems seemed not to be working. In short, when I arrived at Sheffield, the council wasn’t fit for purpose.

The task ahead was therefore massive. We had to:
• Establish more clear cut corporate leadership.
• Get a grip on the budget.
• Make the council’s basic systems work.
• Instil better performance management throughout the council.

• Build management capacity.
• Change the culture.
All of this in a short period of time.
The structure I inherited consisted of 14 departments, with sections tending to work to their own agenda. So the 14 departments were reduced to five directorates each headed by an executive director. Each executive director leads on their particular area of responsibility but they are also responsible for working together to provide coherent leadership of the council as a whole.

Dire budgetary situation
The lack of joint working between departments (let alone with partners) was exacerbated by the dire budgetary situation. The budget was controlling the council, not vice versa. And lack of resources meant that there was a high level of dissatisfaction with the council and with some services, in particular street cleaning and environmental services. The scale of the problems meant we could not afford to continue providing all services in the way that we had been.

We took a long, hard look at what we could actually deliver ourselves and what would be better provided externally. We shifted a quarter of services from direct provision. Sheffield Galleries and Museums Trust was created to run the city’s galleries and museums. Our leisure facilities also operate as a trust. The private sector was tasked with running the council’s financial and ICT operations, waste
management, housing and building maintenance, school cleaning and catering services, while more recently we set up an arm’s-length body to run our council housing.

We also had to tackle systems. In addition to getting the finance, HR and IT systems working properly, we needed to have very strong performance systems running from the top to the bottom of the council if we were to drive up service quality. These systems needed to be able to measure and monitor performance at all levels, from refuse collection to the quality of children’s services, identify areas of weakness and allow each area to properly plan ahead for the next three years.

Cultural change
In order to kick-start the cultural change required to make these reforms possible, I instigated the “best managed council project”. The ambition was for Sheffield to become one of the best managed local authorities within three years. It got staff fired-up and talking to each other, as well as removing much of the cynicism that had characterised working practices previously. And of course, you can’t expect people to jump if the floorboards aren’t firm.

Maintaining a sense of direction during this period of very turbulent change wasn’t easy. It was vital that I and other senior managers were totally direct and honest with people. Not only did this involve not spinning the message, but being prepared to deliver it face to face (encouraging emails won’t maintain morale).

Looking back on almost eight years at Sheffield, I’d say the structural and cultural changes have largely paid off. The first three years were marked by our gaining Investors in People right across the council at the first attempt. Then the systems improvements we had introduced began to make a real impact on service performance. The environment improved, with recycling rates trebled, extra investment in street cleaning, and the council becoming much quicker at dealing with fly-tipping and street light repairs. Parks, too, have been improved. Children’s services and adult services are stronger, and library and museum usage is up.

In 2002 when the Comprehensive Performance Assessment came in, the council achieved a “good” rating, which moved up to “excellent” in 2004. And, in 2005, we won the Local Government Chronicle Council of the Year award. Financially, we’ve strengthened across the board. For example council tax and rent collection levels are better and we achieved modest underspends in our budgets over the last three years. And the city itself is clearly improving. The city centre is being transformed, driven by our urban regeneration company, Sheffield One.

Room for improvement
The economy has been strengthening with unemployment now down to the national average. We are also leading a drive to improve the city’s neighbourhoods, investing in housing, schools and a range of transformational projects – so that all our neighbourhoods will be attractive places to live in.

So we have done a lot of the things we need to do to be fit for purpose, but there is still room for improvement.
The challenges ahead are to drive up the sense of customer responsiveness, so that residents get services tailored much more to their needs. We’re going for chartermark status council-wide to spearhead this drive. We have also got to think through how we develop new models of governance. If government intends to devolve more powers to councils, we have to be ready for that and have the capacity to take the big decisions. And there is still much more to be done on economic leadership. But there is now much more self-belief in the city that these challenges can and will be met.
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Managers spend a lot of energy crafting strategies in local government because strategy matters. Strategies translate intentions into plans, plans into actions. Having strategies that align resources in a directive manner (or in a more emergent fashion) to achieve intended results has a strong history in the respected management literature (Ansoff, 1970; Mintzberg, 1998; and Kaplan and Norton, 2004). And it is not just theory that tells us that strategy matters – our own experience tells us that we seldom improve service performance if our strategy is wrong-headed or weakly constructed.

So good strategies are needed if our organisations are to succeed. Management strategies to improve operational delivery, efficiency and performance (such as in housing, libraries and social care or with thematic management strategies such as with e-business). And service strategies to improve service effectiveness and to tackle social problems (such as anti-social behaviour, teenage pregnancy and recycling). And in multi-purpose local government, all these strategies have to be woven together in a rainbow coalition, aligned to our business plans and our network of local partnership arrangements.

But even the best strategies fail if organisational dynamics are dysfunctional or management accountabilities are confused.

Much has been written about how to improve organisational dynamics through a focus on management leadership and organisational culture. Some of the best work is found by reading Kouzes and Posner, 1996; Goffee and Jones, 1998; Senge et al., 1999; Ghoshal and Bartlett, 2000; and Kleiner, 2003. But this increased focus on managerial leadership, organisational culture and dynamics has simply served to remedy half of the problem. What is missing is an appreciation of how organisational design can facilitate improved organisational effectiveness.

**Fitness for purpose**

The recent publication, Fitness for Purpose, by the Audit Commission and the Improvement and Development Agency, is a useful starting point to remedy this gap. Fitness for Purpose raises the questions about how organisational form links with organisational purpose. These issues, of form and organisation, are difficult to determine in single purpose public sector agencies; they are even more so in multi-purpose and democratically accountable local government. How best to balance strategic leadership with devolution and neighbourhoods? And how best to balance the political imperatives of community leadership and citizen engagement with the managerial imperatives of heightened service delivery and service user empowerment? Above all, how best to organise to optimise effective and
Designing a new blueprint on the art of strategy

Efficient service delivery while also ensuring that an array of local services are better co-ordinated and accountable to locally elected politicians?

Fitness for Purpose raises the level of the debate above the usual “form follows function” rubric. It challenges local government to think about how best to forward its core “place shaping and place advocacy” role. What works in suburban Britain may not work in rural areas nor in the inner cities. And marshalling local public services through local “public service boards” may harness resources more effectively, but how do they progress democratic accountability to citizens locally?

The dilemma for councils

These questions are hard to answer in local government because of the vast array of services and functions. Unitary local government is responsible for about 300 distinct functions – from bereavement services to development control; from adoption and fostering to libraries and museums. The effective co-ordination of these functions requires a mature understanding of how work is best organised as well as how services are best designed.

The dilemma for councils is one that requires the development of co-ordinating and corporate responses while also encouraging and empowering service managers to use their initiative. Balancing incentives for initiative with calls for co-operation is the very essence of managing large organisations.

Against the tide of strategy and leadership books, the Economist’s “business book of 2004” by John Roberts of Stanford University is a penetrating account of how organisational design impacts on overall organisational performance. Roberts shows how design can be used to encourage co-operation within organisations and as a means of motivating staff in ways that are aligned to organisational purposes.

Roberts’ focus is the private sector, and clearly some private sector organisational forms have limited relevance to the public sector. However, one trend is very relevant. The spread of information and communication technologies within organisations has given rise to more federated or networked organisational designs. And it is the power of networks among communities of practice, or within networks of peers operating across organisational boundaries, that is being witnessed in public service organisations (and across local government). Indeed, the call for greater joined-up government at local level through public service boards of chief executives and principals integrating their resource planning and service objectives across public institutions operating in localities is a call for networked public management.

The top tier 150 councils in England have needed to re-design their management arrangements to make sure that they comply with the Children’s Act 2004. The traditional service functional design (based on education, social services, housing, planning and so on) served to organise expert professional knowledge pools, as well as act as channels for thousands of individuals and professional careers. By re-designing our organisations we
alter substantially how knowledge is pooled and how careers are channelled.

It is not feasible to organise local government’s management arrangements so as to give equal weight to function, client group and locality. Each has merit.

Client groupings ensure that management is more customer focused. And locality groupings ensure that management is more in touch with the dynamics of neighbourhoods and place. The issue for each council is what is best in its local context, given its particular set of service challenges and the localised geographical pattern of needs and resources. Some councils attach primacy to service delivery considerations [excellent service standards for all or personalised services for all]. Some attach primacy to their broader community leadership role. And others consider that developing the unique character of the places they represent is their primary role.

In Lewisham, we recognised that we needed a fundamental “fit for purpose” review in the light of the Children’s Act 2004. We also needed to review our arrangements in the light of three years experience of being a mayoral council. It was important that we organised ourselves so as to better support the directly-elected mayor, Steve Bullock, and the wider council.

The scale of the council is significant. Lewisham has a total revenue spend over £860 million (gross) in 2005 with a further £100 million of capital investment spend. And despite a substantial drive over the past decade towards a mixed economy of service provision, the council employs over 8,500 staff (4,000 of which work in some 100 local schools).

When we began our organisational review, what we found surprised us – while there is a mountain of advice and support on how to improve our strategies, there is virtually nothing on how to improve our organisational design. Aside from a simplistic notion that “structure follows strategy”, or form follows function, there is precious little else to guide anyone designing management arrangements in the public sector.

First principles
And so in Lewisham, we decided to start afresh, from first principles. We are a unitary urban council in London responsible for securing a complex array of activities and services. Moreover, we are increasingly operating in close service partnerships with other public agencies and institutions. For example, we have a crime reduction partnership with our local police, fire service and other criminal justice partners; and we have a health partnership with our local primary care trust and local hospital.

In deciding how best to organise our management arrangements we started to consider alternative approaches to grouping our main services. What follows is an outline of (1) the “four organising principles” we chose for considering service groupings; (2) the “five tests” we used to consider the merits of different options for grouping each service; and (3) the conclusions we drew for how our borough should be organised.

In deciding on ways forward it is best to start with a few clear organising principles. These are the four we used in Lewisham:

- Services should be grouped so that the management of those services are able to
Designing a new blueprint on the art of strategy

realise positive synergies in terms of designing and delivering more effective services for customers and service users and are able to realise efficiency gains through strategic budgetary control and by eliminating waste, duplication and unnecessary management overheads.

- Management layers, accountability and reporting lines should be few, simple and clear.
- New management arrangements must also deliver a relentless focus on improving service performance, motivate people towards change for improvement as well as being adaptable and flexible.

- There needs to be straightforward relationship between any new management arrangements and the mayoral scheme of formal delegation – thereby ensuring that the political dimension of the council links with the management side in a way that enhances overall organisational effectiveness and efficiency.

This latter principle is crucial to ensuring that management arrangements support the governance of the authority. For a council’s management arrangements need to relate as much to its political governance and to its community leadership role as its role in securing service provision.

Five test questions ...

When the options for deciding the best organisational location for each service was considered, the first step was to establish the strategic direction for each main service area. The next step involved consideration of five related customer, operational and partnership questions. Addressing these five questions, for each service area was central to arriving at our final design. The five questions were:

From the viewpoint of the service user:

1. What other services are closely and positively linked to this service? – the “linked services” test.

2. What other services best combine with this service to improve their value? – “the service synergy test”.

From the viewpoint of operationally delivering the service:

3. What other services involve similar operational processes? – the “like processes” test.

4. What organisational changes could enable the service to be delivered more effectively and efficiently?

From the viewpoint of key service partners:

5. What organisational changes would strengthen relationships with partner agencies?

In addressing these five questions there were inevitable trade-offs to consider for different service areas. The point is that in Lewisham these trade-offs have been explicitly considered in adopting and implementing our new design. The range of services that any council delivers means that an immense variety of organisational options can be considered. The starting difficulty is deciding which options need to be ruled out on grounds of initial principles. What was agreed in Lewisham results from the first principles test set out above as well as an exhaustive service by service analysis of “what fits best with what”? The five service groupings on the opposite page
describe Lewisham’s new management arrangements. They balance service management, place management and community governance priorities with the client focused approach of the government’s requirement for combining children’s services under a single management command.

This “ideal type” of five programme area directorates was agreed in spring 2005. It has provided a clear and focused base for re-organising our management arrangements and for connecting our service management to other partners locally. In choosing a design that works it is crucial to recognise that there are no absolutely “correct” solutions to organisational issues such as these – what is needed is a best fit solution that will work speedily and with low risk in the transition.

The massive growth of capital spending, particularly with Building Schools for the Future (almost £300 million in Lewisham alone), in the non-housing capital programme in local government together with the decline of project and programme management expertise has raised new questions of organisational capability and fitness for purpose for the next decade. To meet these challenges, the next few years

<table>
<thead>
<tr>
<th>Children and young people</th>
<th>All those direct services for children and young people that safeguard life and welfare and promote life-chances and well-being</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community services</td>
<td>All activities and services that deal with supporting, sustaining and enhancing independence and inter-dependence, that strengthen communities – in short, services that serve to support the social fabric of the borough</td>
</tr>
<tr>
<td>Customer services</td>
<td>Key public services that interface with high volumes of individual customers on a daily basis and a leading role for all of the council’s customer interfaces</td>
</tr>
<tr>
<td>Regeneration</td>
<td>All functions that are directed at maintaining, sustaining and enhancing the physical and economic fabric of the borough</td>
</tr>
<tr>
<td>Resources</td>
<td>Comprised of three connected corporate services and functions: resource management and professional support services; ensuring corporate delivery and performance; and support to the council’s governance – the mayor and cabinet as well as to overview and scrutiny</td>
</tr>
</tbody>
</table>
may well see a growth of programme management directorates across English local government. This will be a considerable change to the conventional service professional model of organising management disciplines.

**Design matters**

But while strategy matters and design matters – so, too, does behaviour. Hence in Lewisham we also focus attention on managing change generally and re-moulding organisational behaviour and dynamics.

In local government, changes of organisational design are fundamental to how we serve our communities. Councils are not a series of separate service businesses and neither are they a federated set of inter-linked businesses. Councils are complex, but singular, organisations accountable to elected representatives locally through changing constitutional frameworks.

In the public sector, the emphasis is too often on policy design and too little on service design. It is seldom on organisational design. Plainly organisational design alone will achieve nothing – but if design is neglected or determined arbitrarily it will undermine staff motivation and strategic intent. Get design right and you are one-third there. Great strategies and effective organisational dynamics and culture will do the rest!

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