

CIPFA
Annual Regional Seminar

Adapt and Survive
Innovations Needed in Hard Times

Adapt and Survive

- Thank you for asking me along
- It is nice to be back in the West Midlands
- Being back in the Hyatt reminds me that it arose from the building of Symphony Hall and was at one time owned by the Council
- Who says innovation is new

Adapt and Survive

- Can I just test the mood of the room as to how hard you think the hard times will be.
- Let me give you two views
- The first is from Tony Travers and he is in Armageddan territory
worst recession since 1945
take five or six years to recover

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Free care state services restructured with only compulsory schooling and some of NHS free

Or

Steve Bundred

Spending cuts will be big ones BUT they are on the back of 10years of growth

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What we are actually talking about is reducing public spending to the level it was at 3 or 4 years ago which is manageable.

Show of hands for Armageddan - Tony

Show of hands for the Ostriches – Steve

Okay that gives me a feel of the mood music

Adapt and Survive

- Okay so we are a pretty pessimistic bunch – but we are accountants
- I want to focus on three words

Adapt

Survive

Innovation

Adapt and Survive

- Adapt - is to make fit
as for a specific or new use or situation
My view is that we are in a new situation
Increased demand plus increased
expectations plus decreased resources
equals new situation with bells on.
Age, plus power

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- I think we at a watershed albeit one with about a years notice.
- Debate about the role of the state
- The balance between individual and collective responsibility
- We pay, you serve, government directs model needs challenged
- The structure of public services and how they are paid for

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- Now might be a rather good time to start preparing for a different way of thinking as well as a different way of organising
- No more salami slicing
- No more dead weight of customs and entrenched interest
- Perhaps taking on Trade Unions etc

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- Survive
- To continue to live or exist especially after coming close to dying or being destroyed or after being in a difficult or threatening situation
- So talk of survival might just be a bit OTT but we could be in for a time of change.

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- Before I focus on innovation let me just pause on the cuts word.
- I think we would all agree the debate is not about whether cuts are required but
- Why, when, what, when and how
- Politicians are being very macho about cuts
- However a word of caution cuts must be made wisely and well.

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- No one in this room wants to be the Sweeney Todd of cuts
- Sweeney Todd was a sharp administrator of cuts but because he went for the jugular the customer not only got a close shave but bled to death
- Remember wisely and well for cuts
- Move beyond the doom scenarios

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- My last word is innovation
- Innovation is a new way of doing something
- It can be incremental, emergent, radical or revolutionary
- It can add value, can be destructive, can be risky, it will always be creative
- It is the territory we are going into with a vengeance

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- Success of Innovation
- Good Leadership
- Good Organisation
- Good Communication
- Good Empowerment-bottom up
- Good Knowledge Management

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Different types of innovation

- Look for the overlaps not the gaps
Eg joint NHS/LA adult care Hertfordshire
- Relationships with other organisations working in the same geographic area.
eg Back offices Warwickshire model
- Easy jet model – Barnet Essex H'smith Fulham

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- Whole system thinking – connected care model
- Local enterprise partnership to take over the functions and funding currently controlled by regional development agencies
- Service re design – major changes – Sandwell Community Care Trust
- Smarter supply management –joint buying – Warwickshire CC, Coventry and Solihull Waste
- Demand management- people doing more for themselves

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- Cutting costs on service overheads – support services, cost of management and governance eg London Audit Anti Fraud Partnership
- Strategic Commissioning Framework
Westminster City Council model
- Asset Management eg West Lothian LA, Police, Fire, Health and Courts

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- Learning to Share
- Being Curious
- Being relentless and making things happen
- Not about size don't just go for the big wins
- Being resilient – well and wisely
- Together we stand – buildings, procurement, services
- Wellbeing power until general competence power

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- Let me finish with a story
- The cast

A young Assistant Director

A strategic Director of Finance

A strict but good District Auditor

A grand old dame of the theatre

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- The Story

The grand old dame, like all old dames needed money spent on her – she had fallen on hard times. Friendly local authority. No money.

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- Along comes our hero – wonderful wheeze.
- DoF – risky complicated but okay
- DA – accountability and vfm but yes
- Two years later a very happy grand old dame

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- Playing the characters were
- Young AD - your president
- DoF- me
- DA – Alison
- Grand old dame – the Hippodrome

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- Lessons from my story
- Hard times are not new
- Innovation is within all of us if encouraged
- Risk is part of the deal but needs managed
- Accountability matters it is the public pound
- Outcomes are what it is all about

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- Finance Officers key players at this time of change
- Yes it is frightening but so exciting
- What an opportunity to shape the public sector for a generation or longer
- Good luck and I do envy you the opportunity