managing the gap

Barry Quirk

SOLGM annual summit
Wellington, 2013

this presentation

3 descriptions

- the radical character of the changes that local government faces

- the gaps between politics and management

- the gaps within Councils and between them and their communities

3 prescriptions

- how to bridge the gaps with taxpayers, citizens and public employees

- how to build trust & trustworthiness

- the disciplines involved in developing a new "ism"

my world ...

London has 8-10m people

radical social diversity

280,000 people

one Mayor
54 councillors

170 languages

3,600 staff

£1.2bn gross turnover

£300 million of suppliers

250 different service functions

90 schools

4,500 births each year
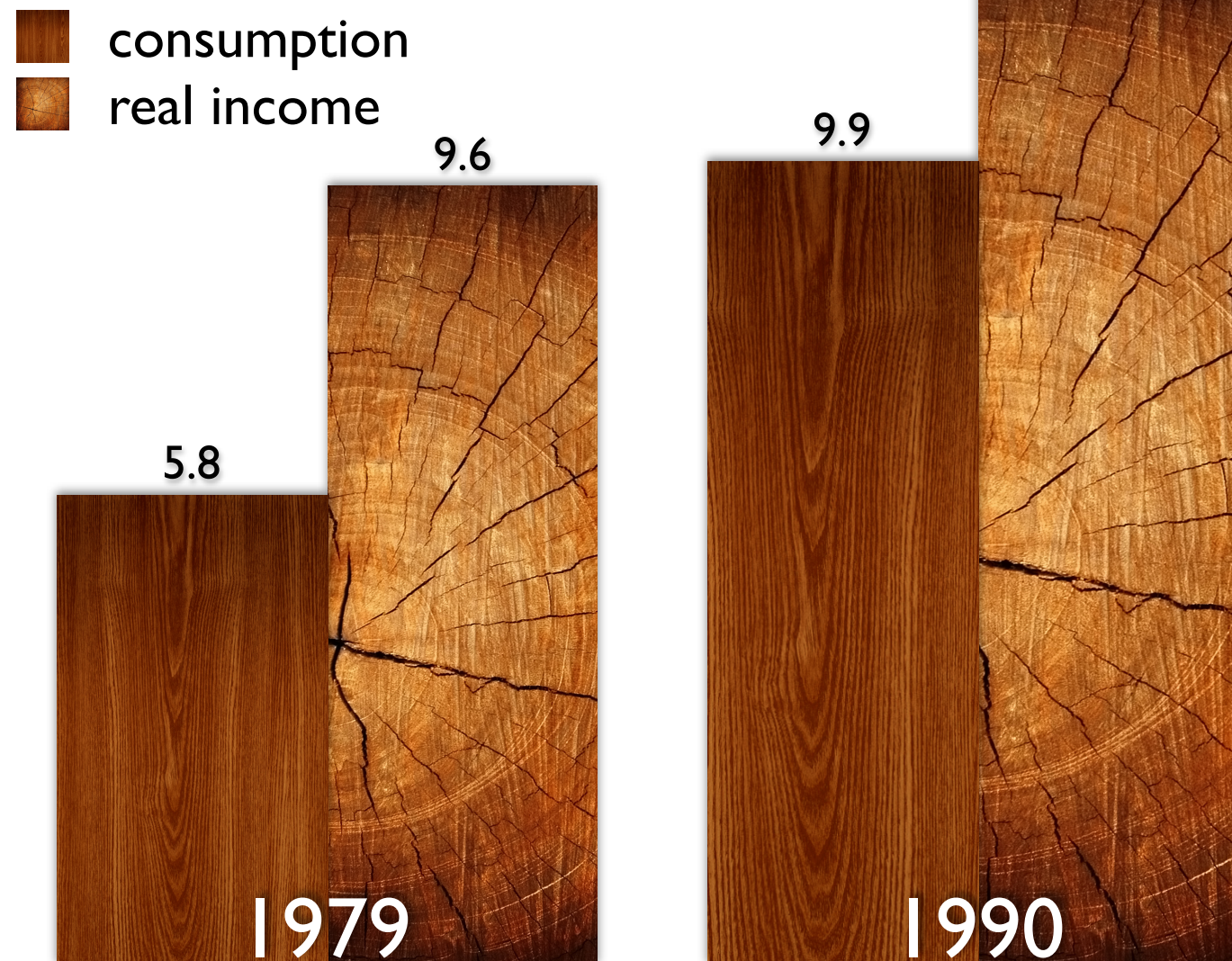
15,000 unemployed (9.9%)

rapidly growing population with changing demands
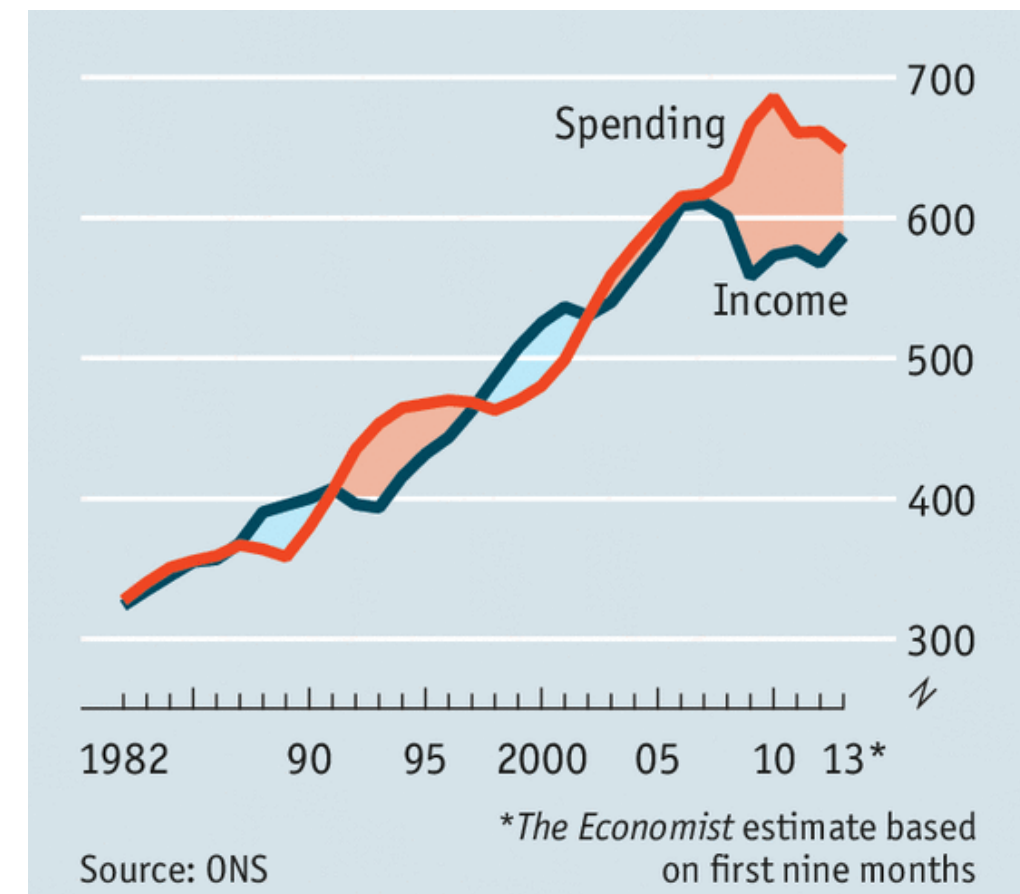
need to change the shape and cost of services fast

this time it's different
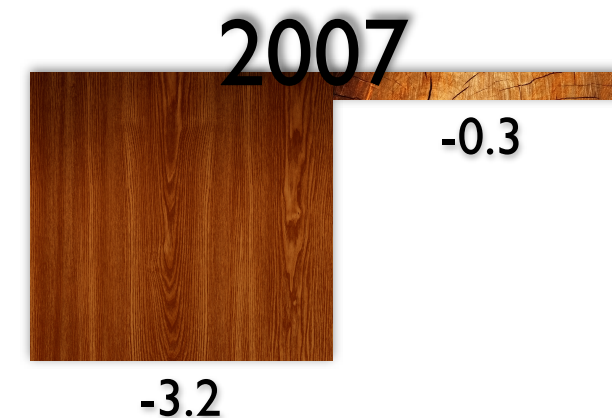
% change >5 years from pre-recession peak

- consumption
- real income

1979

5.8

9.6

1990

9.9

12.4

2007

-0.3

-3.2

UK public finances still in RED

700
600
500
400
300

Spending

Income

1982   90   95   2000   05   10   13*

The Economist estimate based on first nine months
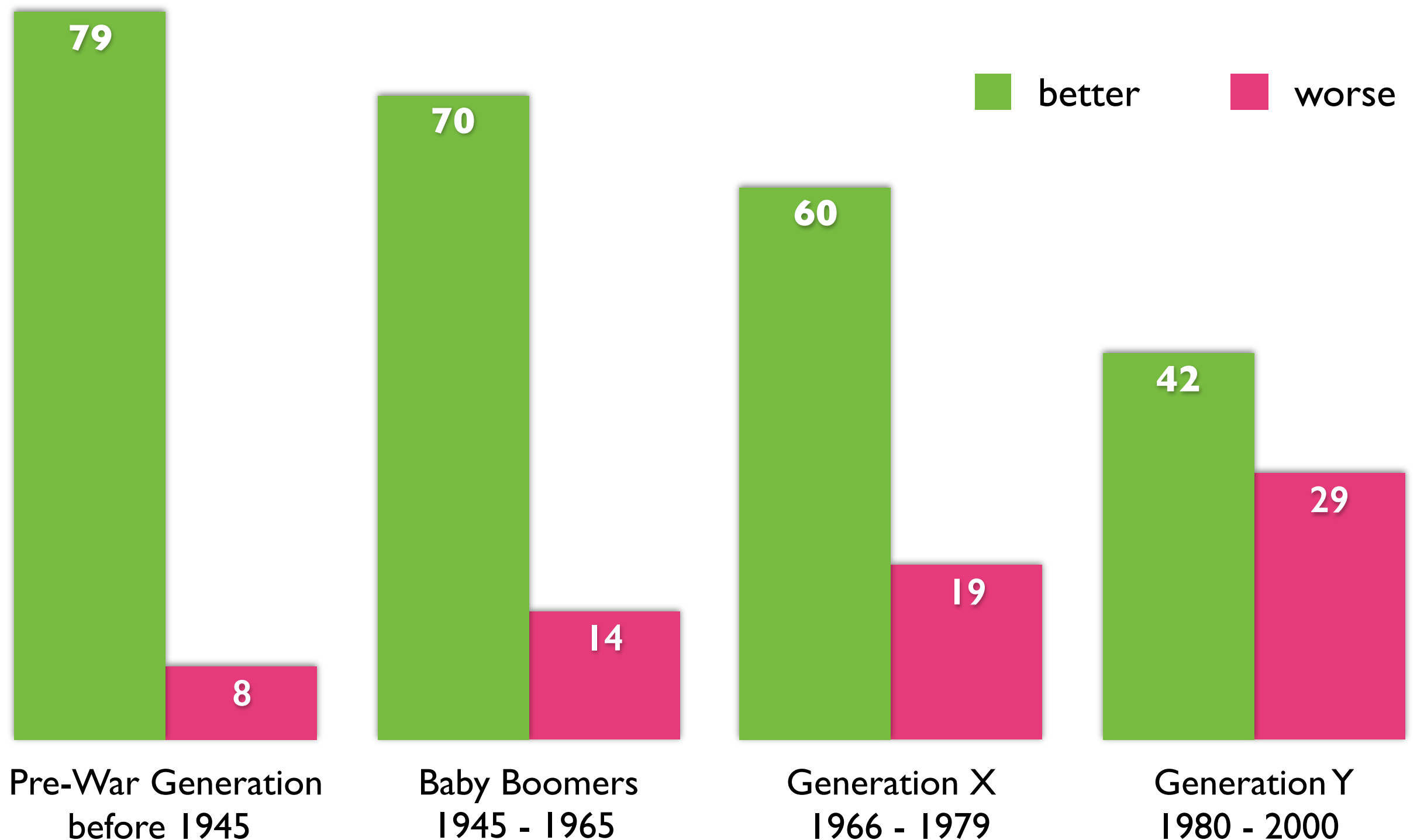
Source: ONS
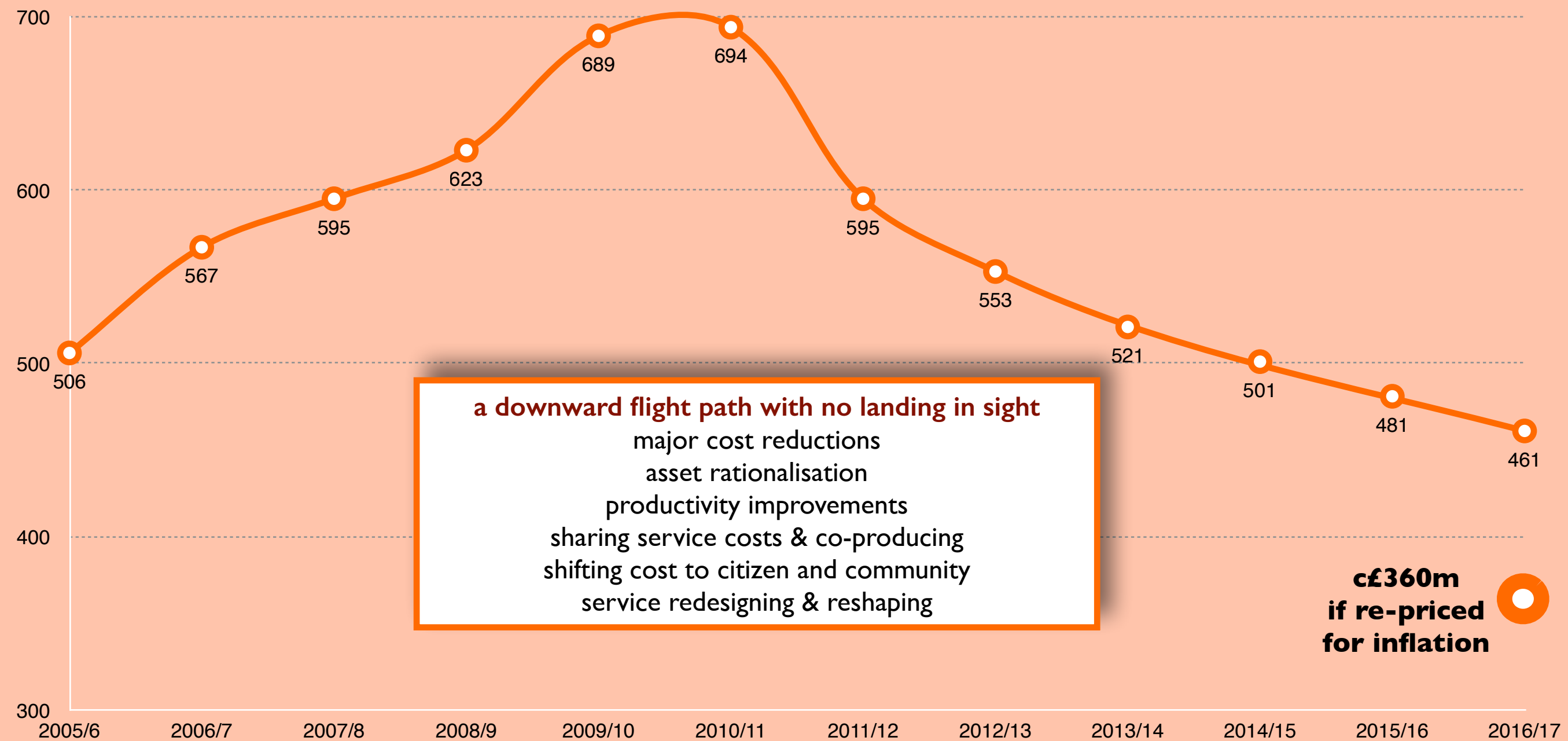
The Economist, 26 October 2013

generational pessimism in uk

extent to which UK population feels that "their generation" will have had a better or worse life than their parents' generation

better   worse

79 8 — Pre-War Generation before 1945

70 14 — Baby Boomers 1945 - 1965

60 19 — Generation X 1966 - 1979

42 29 — Generation Y 1980 - 2000

LOOKING BACK 12 years from 2017
typical urban Council spend profile in England

a downward flight path with no landing in sight
major cost reductions
asset rationalisation
productivity improvements
sharing service costs & co-producing
shifting cost to citizen and community
service redesigning & reshaping

c£360m
if re-priced
for inflation

| Year	Value
2005/6	506
2006/7	567
2007/8	595
2008/9	623
2009/10	689
2010/11	694
2011/12	595
2012/13	553
2013/14	521
2014/15	501
2015/16	481
2016/17	461

Figures are cash and based on gross expenditure per the Council's budget book from the relevant year, adjusted to remove housing benefit (which is routinely taken out of such calculations since, at around £0.25bn, it materially distorts figures and as it is, or was for the period in question, matched by government grant). Figures have also been adjusted to remove Dedicated Schools Grant, or the relevant amount of formula grant in 2006 before DSG was introduced. All Housing Revenue Account expenditure on social housing has also been removed

slide 6

the public policies and managerial approaches that got us to here ...

won't get us to there!

the character of change

Phyletic Gradualism

Morphology

Time

Punctuated Equilibrium
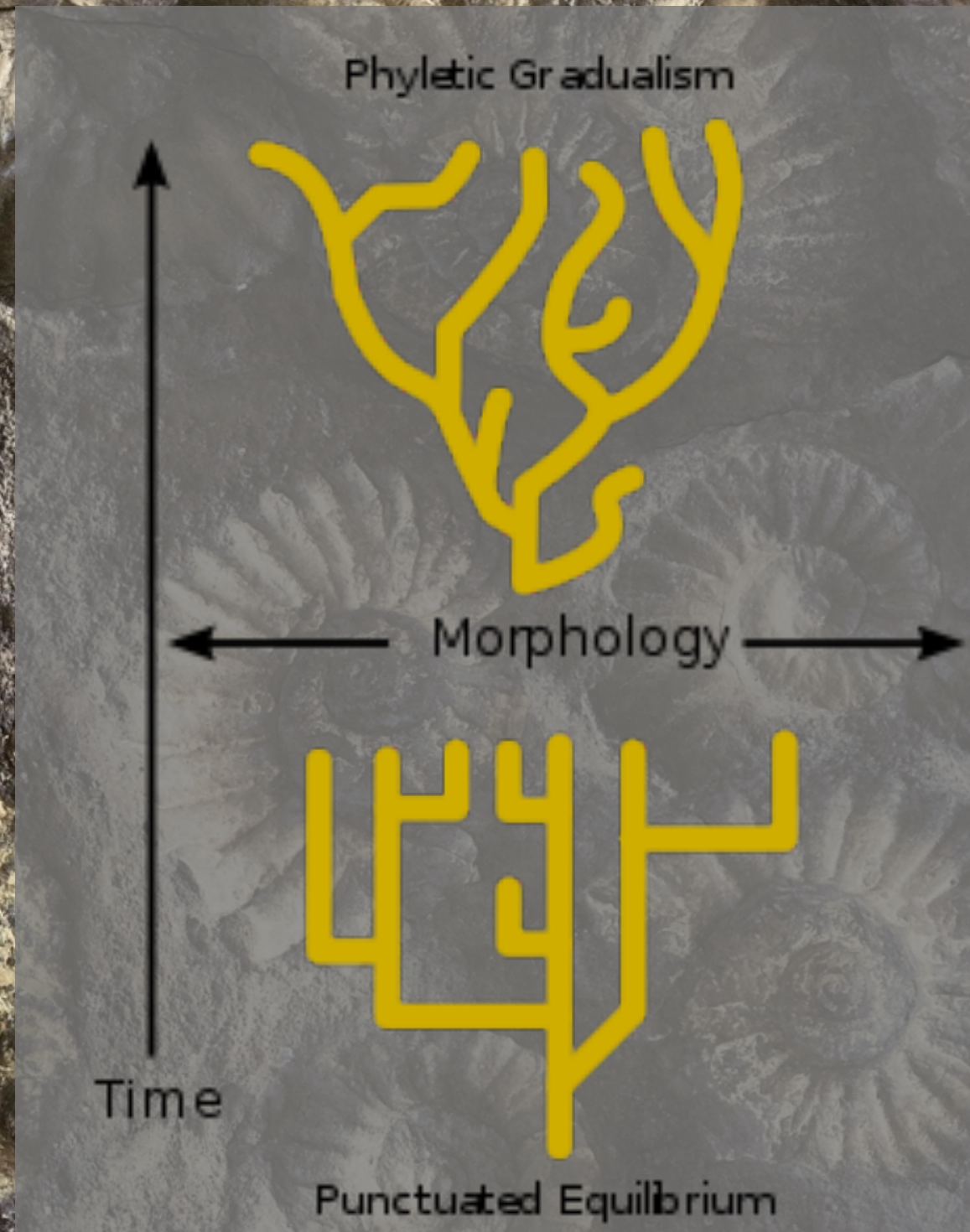
from fissures to gaps

national policies ←——————→ "local problems"

our context   **our challenge**

plural community values and preferences	• • •	sustaining coherent organisational purposes
elected politicians goals and ambitions	• • •	delivering what's managerially feasible?
increasing professional expertise and service focus	• • •	making rounded judgments in the public interest
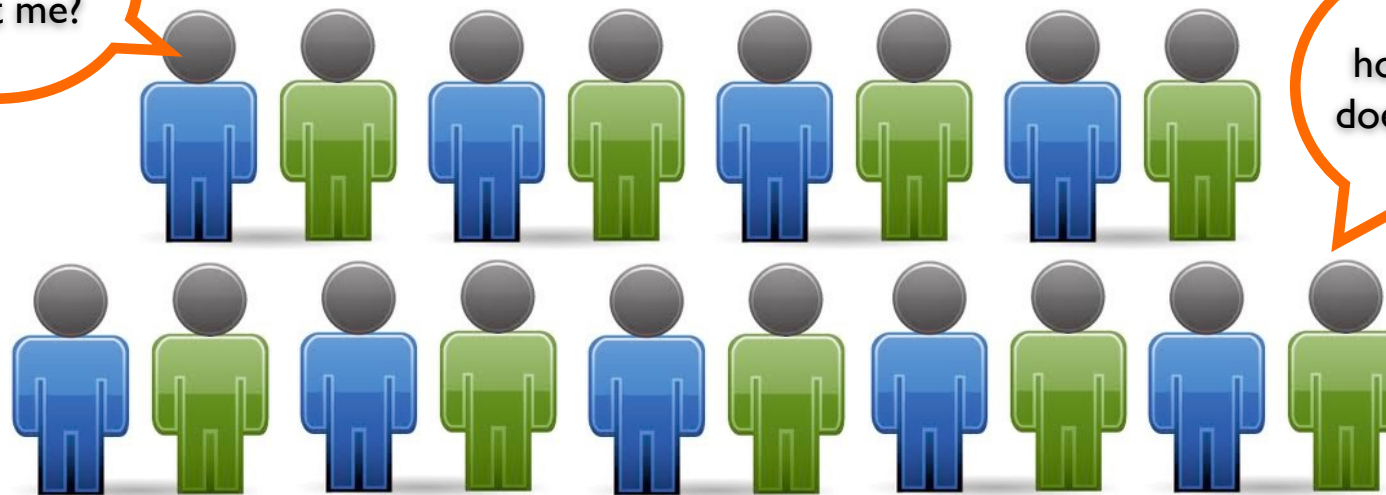
bridging roles

political goals for tomorrow and the political acceptabilities of today

policy appropriateness and the practical realities of implementation

who is capable and confident to bridge the gap?

management & politics

domain
M

managerial
rationality

you are
here!

domain
P

political
rationality

ROLE CLARITY & COMPLEMENTARITY

"that two men working differently bring about the
same effect, and of two working similarly, one attains
his object and the other does not."

Niccolò Machiavelli (1532) *The Prince*

the GAP between political rationality and managerial rationality

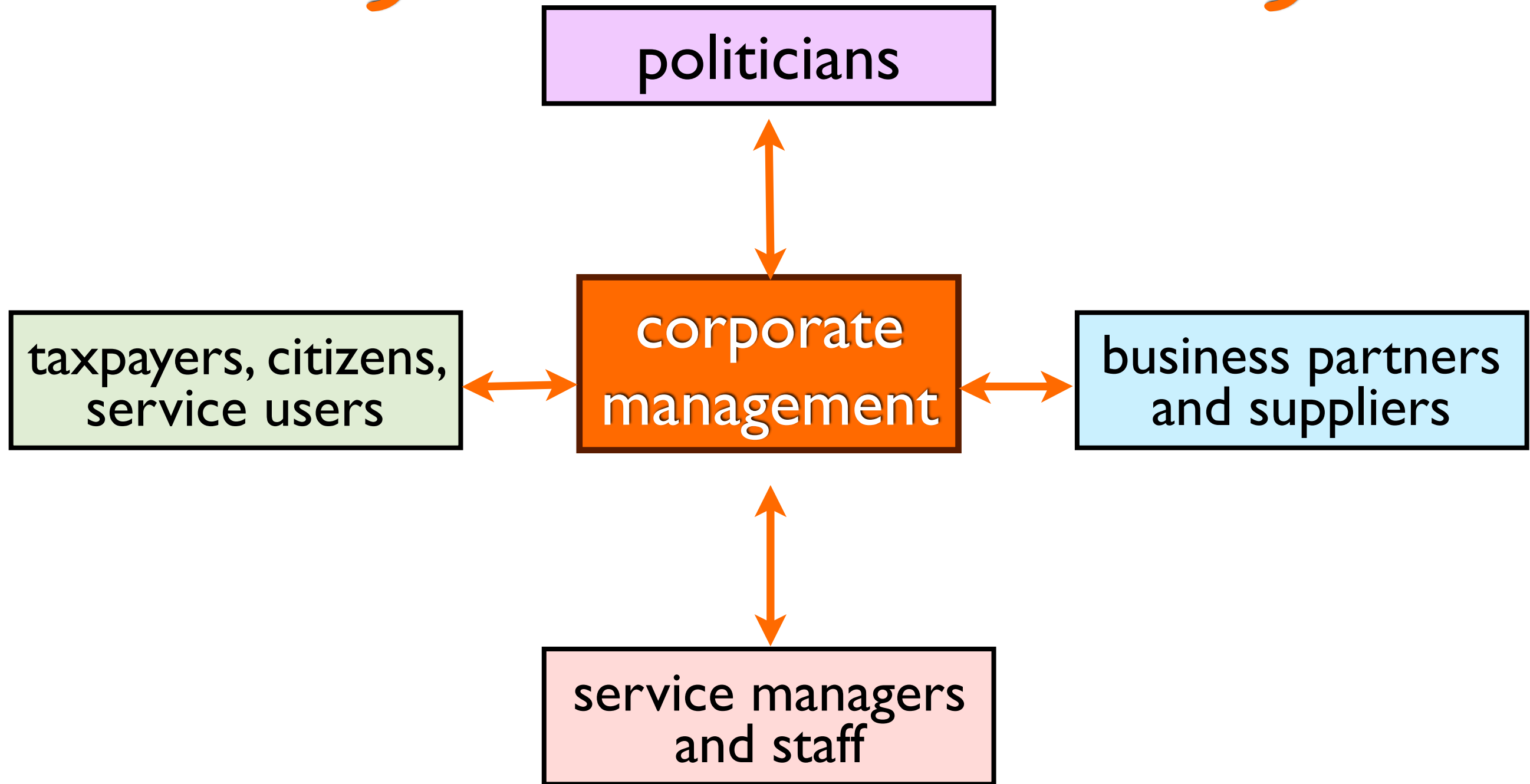| characteristics	politics		management
players	elected representatives	CEOs, city managers, general managers & some politicians translate across the gap	public servants, "experts"
activity	competition between values, gaming		problem solving
conversation	"what do you hear?" passion, dreams, stories		"what do you know?" data, plans, reports
artifacts	intangible: interests & symbols		tangible: information, money, people, equipment
currency	power (stories)		knowledge (deeds)
dynamics	conflict, compromise		predictability, continuity

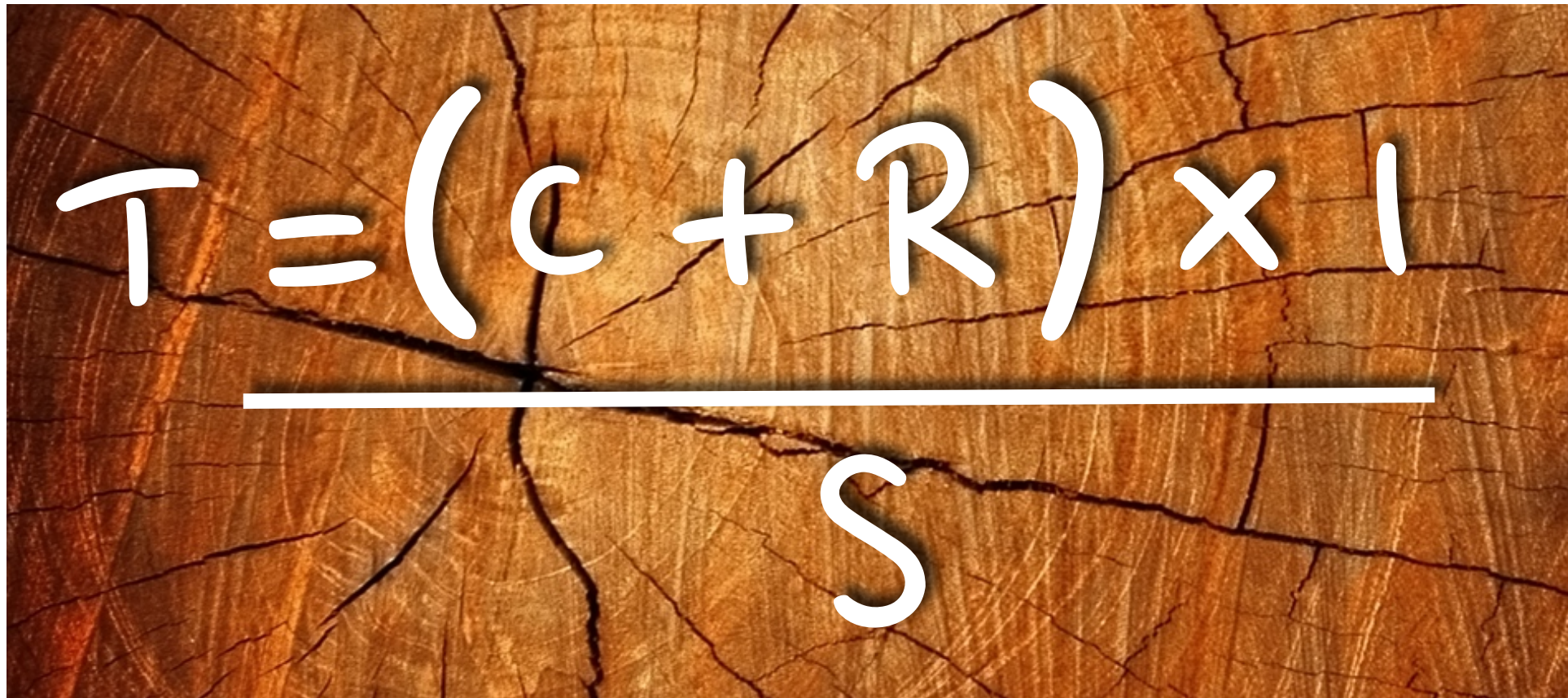# my orange chairs

and the boundary of politics

the rise of identity and the
substance of symbols

building trust in 360 degrees

politicians

taxpayers, citizens, service users ↔ corporate management ↔ business partners and suppliers

service managers and staff

beware the "institutional egoism" of stakeholder analysis and reputation management ...

being trustworthy
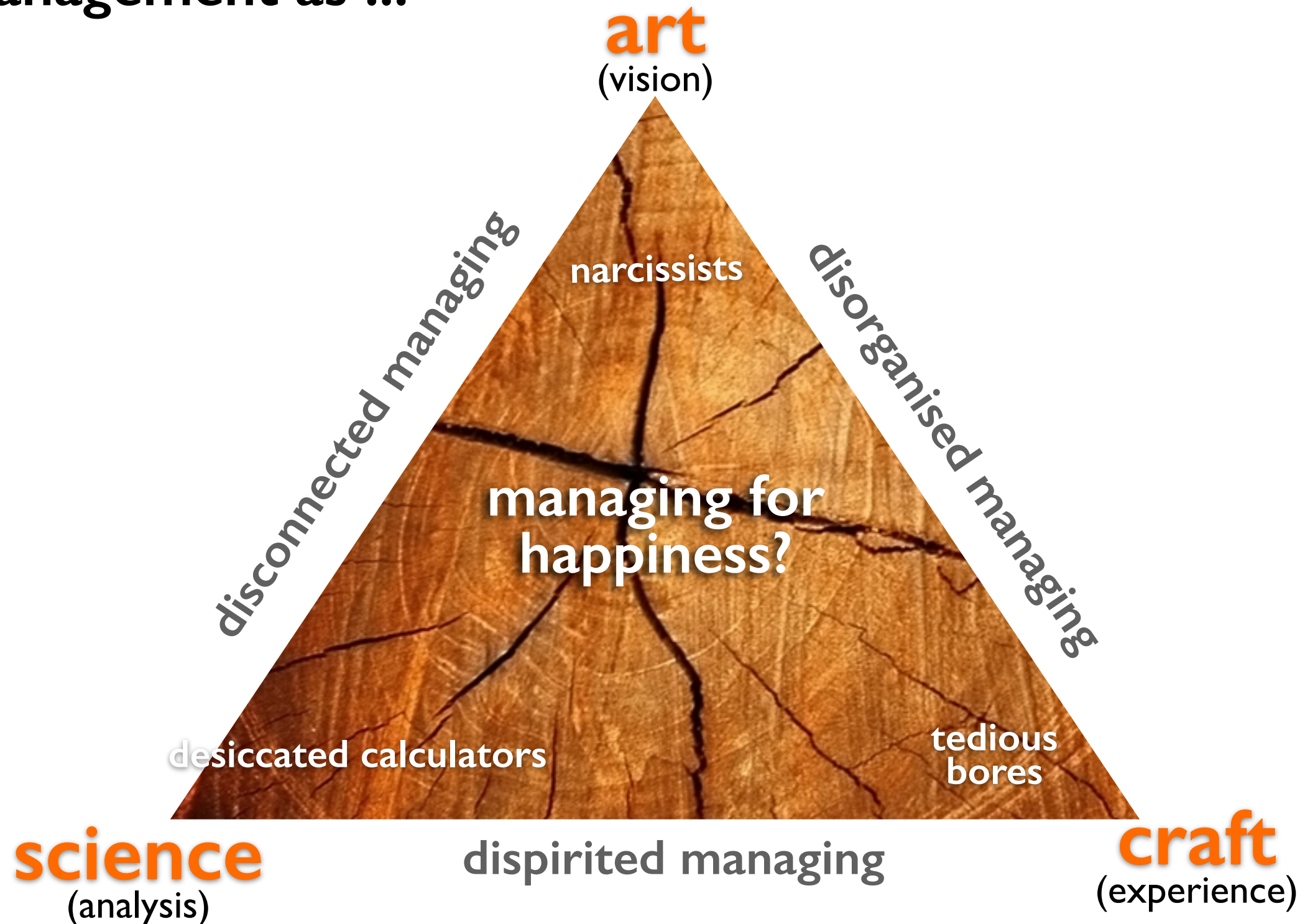
$$T = \frac{(c + R) \times I}{S}$$

where
T = trustworthiness
c = credibility
R = reliability
I = intimacy
S = self-orientation

does your public know that you will act in the **"public interest"** even when your professional or institutional interests are at stake?

the growing squeeze on "knowledge workers"
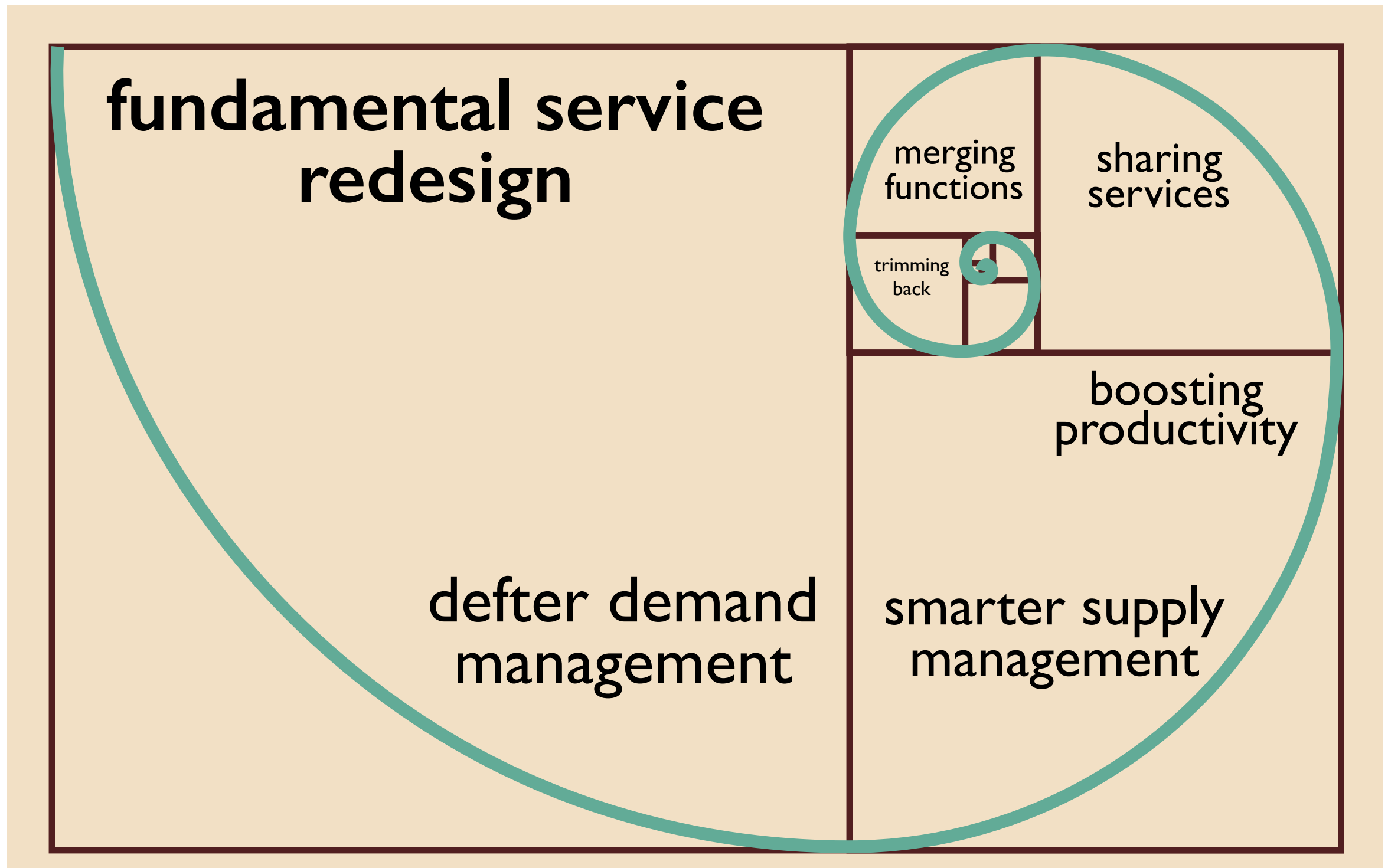
from ...

Norwich Council City Treasurer's Department receiving its first computer in 1957

to ...

"When will your job be replaced by an App?"

reducing costs by ...

meliorism

making life better here for everyone

"optimism of the will, pessimism of the intellect"

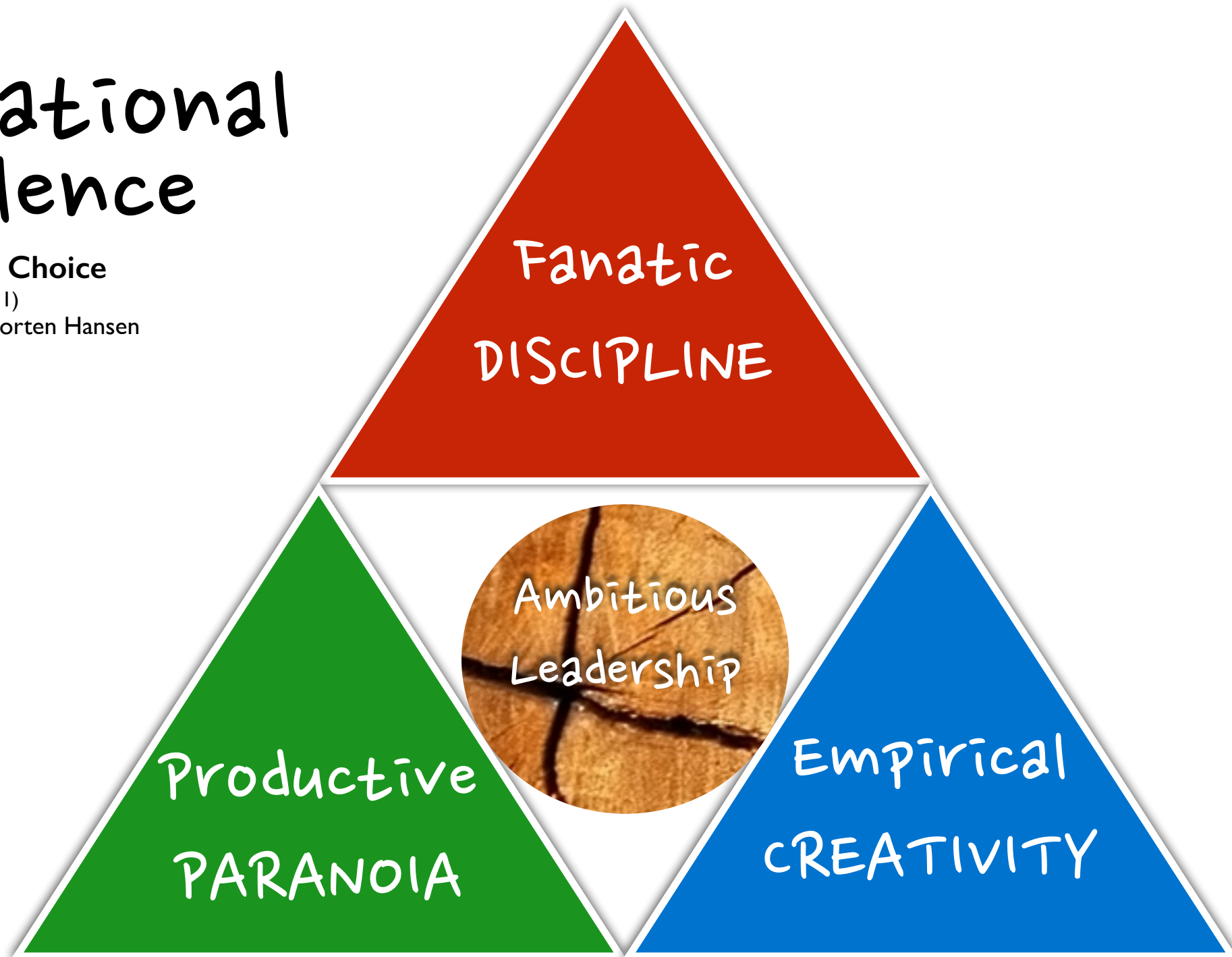**1** creative civic communities ... close but not closed

2 empowered risk taking ... shaping 21st century public services

3 align staff to moral purposes ... from mastery to mystery

consistency of action:
of values, goals, performance standards and methods

organisational excellence

Great by Choice
(2011)
Jim Collins & Morten Hansen

Fanatic
DISCIPLINE

Ambitious
Leadership

Productive
PARANOIA

Empirical
CREATIVITY

hyper vigilance:
to changes in operating environment (needs, competitors, comparators, etc)

practical experimentation:
testing out the tangible evidence of what might work better

Slide 21

www.barryquirk.com

thank you

@BarryQuirk1

"death by business case"

prudent use of taxpayer monies leads to ...

use of cost-benefit analysis (CBA) to appraise every imaginative public scheme, project or service

the weighing of future net beneficiaries against current forecast losers is sometimes a pseudo-science

preferences, values and costs are necessarily mediated by the messy compromise and clash of politics

there's no avoiding the requirement for healthy political competition

leading change

$$(AG + ANS) \times DCR > OI$$

"Never doubt that a small group of thoughtful, committed people can change the world.

Indeed, it is the only thing that ever has."
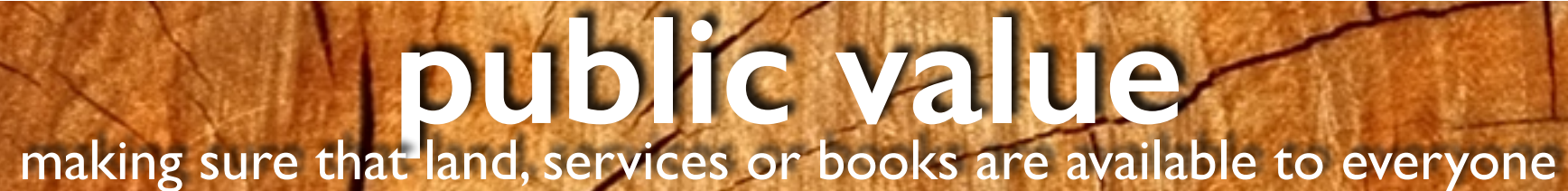
Margaret Mead

AG   agreement on goals
ANS   agreement on next steps
DCR   dissatisfaction with current reality
OI   organisational inertia

private value
buying your own land, service or book

social value
sharing your land, service or book with other people like you

public value
making sure that land, services or books are available to everyone

you can't delegate perspective

service managers

problem focus

service oriented

analysis

care what they know

gap

corporate managers

outcome focus

community oriented

synthesis

know that they care

Personal risks

five ethical principles

1 treat people as ends not means

treat people according to their own wants and intentions and not by what you think others want of them

2 promote autonomy

let people chose for themselves unless you can be absolutely sure that you know their interests better than they can

3 selflessness and service

empathise with the needs of others and be true to your obligations to them

4 offer help prudently

provide help to people if the help you give is worth more to them than it is to the public at large (provide help where it is needed, not where it is too difficult to give or where it will be wasted)

5 cooperation and community

encourage people to help each other by fostering mutually reciprocal behaviour

Together Everyone Achieves More

The red
Queen
effect

"it takes all the running you can do, to keep in the same place.

If you want to get somewhere else, you must run at least twice as fast as that!"

everyone's a leader

•distributed leadership

•the varied sources of authority

"when Helen met Erica"

each worker	personal responsibility
team leaders	managerial authority
professional leaders	expert authority
organisational leaders	institutional authority
cross-organisational leaders	positional authority
public leaders	democratic legitimacy

five types of thinking for the future

- **disciplined**: mastery of at least one way of thinking; associated with scholarly discipline, craft or profession

- **synthesising**: takes information from a variety of sources, understands and evaluates them objectively

- **creating**: breaks new ground; puts forth new ideas, conjures fresh ways of thinking, arrives at unexpected answers

- **respectful**: notes and welcomes difference between individuals and between groups

- **ethical**: keen to serve the needs of others and wider society rather than simply self-interest

Howard Gardner (2009) "Five Minds for the Future"

working for elected politicians

"being held to account" & "giving an account"

common ancestor
8m years ago
320,000 generations

Ancestral Pan
6m years ago
240,000 generations

Ancestral Gorillas
6m years ago
240,000 generations

today's
humans (Homo sapiens)
chimpanzees Pan troglodytes
Bonobos (Pan paniscus) 8m

today's
Gorillas

naturally egalitarian?

Gorilla

Chimpanzee

Bonobo

Humans

reverse dominance hierarchy?

other regarding
cooperative conduct and
indirect reciprocation

altruism

"extra familial generosity"

"do unto others"
group selection and social
selection based on
reputation

band, clan based
direct reciprocation

nepotism

"family first"
kin selection and
sex selection

self regarding
competitive
instincts

egoism

"self interest"
the intrinsic power and
logic of the selfish gene

Climatic variability and cooperative hunting in the Late Pleistocene encouraged cooperative behaviour to evolve - through meat sharing and the punishing of "free riders" (cheats, opportunists, tricksters, bullies and alpha males)

after Christopher Boem (2011) Moral Origins

# of counsel 1613

Francis Bacon
1561-1626

"Counsellors should not be too speculative into their sovereign's person. The true composition of a counsellor is rather to be skillful in their master's business than in his nature; for then he is like to advise him, and not feed is humour."

"It is of singular use to princes if they take the opinions of their counsel both separately and together.

For private opinion is more free, but opinion before others is more reverend. In private, men are more bold in their own humours; and in consort, men are more obnoxious to others' humours.

Therefore it is good to take both."

fate and will

Machiavelli - how can a decision maker master fate?

Fortuna
"fate"

"the unribboning, unceasing flow of unpredictable events"

Virtu
"willpower"

"the exercise of resolution, imagination, determination and courage"

Strategic planning or strategic intuition?

Carl von Clausewitz
(1780 - 1831)

"strategic and operational planning"

"centre of gravity; the fog of war"

Antoine-Henri Jomini
(1779 - 1869)

"put superior power at the decisive point."

"flash of insight"

digital era only just starting

meliorism

"optimism of the will, pessimism of the intellect"

1 civic communities: close, but not closed
(communities succeed when they are self reliant, mutually supportive, cohesive and open - nurture their forward looking sense of contribution and civic responsibility)

2 empower measured risk taking
(creatively experiment with new ways of working so as to make a positive impact locally, and get things done despite your uncertain and unpredictable contexts)

3 your staff have minds of their own
(tap into their positive emotions, encouraging them to work ethically in the public interest; their mastery of any discipline is only useful in harness to local moral purposes)