

## Adapting the ADEPT business model: preparing for the future

May 2019

### Summary and Recommendations

The membership is asked to approve the following recommendations:

- Following the independent assessment of ADEPT, it is proposed to reframe the business model around four building blocks: 1) membership services, 2) networking & learning, 3) research & development, and 4) influencing & policy development (Section 3).
- Introduce a programme of bespoke events for Corporate Partners (Section 4.1).
- Implement a limited restructuring of the Subject Boards, and provide policy support where resources allow (section 4.2).
- Responding to stakeholder feedback that the Association become a more effective influencer, we will focus our influencing and lobbying work over the next 12-24 months on the following strategic priorities: 1) place-based funding post-Brexit, 2) communities & infrastructure, and 3) climate change & environment (section 4.4).

### 1. Introduction

In Autumn 2018 the Leadership Team commissioned the consultants *Shared Intelligence* to carry out independent research into the impact of the Association in terms of the services it provides for its members, its relationship with key stakeholders and its success in influencing government and national agencies.

Headline findings included:

- A high level of satisfaction with the information ADEPT provides its members, the networking opportunities and its growing influence with government.
- Corporate Partners are very happy with their involvement and relationship with other members.
- A request that ADEPT did more to capture and disseminate good (technical) practice.
- An ambition for the Association to 'become a louder voice in government' and a stronger, more strategic influence particularly in relation to promoting the value and significance of 'place'.

### 2. Initial reflections

The Leadership Team has reflected on the findings of the report. It welcomed the positive feedback in the report, which reinforced the value of the Association as a well-respected and professional networking organisation and one that has already modernised significantly over the last three years. It also recognised there are areas for development. Members are likely to always hold differing views about the value and role of ADEPT; nonetheless there were some clear pointers as to what the membership wanted and expected of the Association.

A strong message was that members wanted to see the Association becoming a more effective influencer from its broad place perspective. Many members compared ADEPT with other officer societies such as ADASS, ADCS and ADPH. Our impact *vis a vis* these associations reflects significantly lower budget and manpower plus a crowded marketplace. Notwithstanding this, the Leadership Team felt that ADEPT could become the 'voice of place' and the instigator of a 'place movement'. They felt that the Association should look to orchestrate unified and strategic messages that place based services are as valuable as, and complementary to, adults' and children's services. We should also consider greater engagement with local political leadership.

We discussed whether our next steps were gradual and incremental, or whether we should adopt a step change in approach. Given the Association has already introduced a number of changes in a relatively short period of time the general consensus was to take a more evolutionary approach and to develop the membership offer across four building blocks of specific activities as set out below. Underpinning our business model, whatever shape that takes, is an ambition to continue expanding the membership, diversifying and growing income streams, using resources efficiently and effectively and providing value for money.

### **3. Proposed strategy**

Recognising that ADEPT provides different types of function, and that various members will use and value these differently, the strategy aims to provide a sharper focus on a series of building blocks that will offer the membership a range of services and opportunities that can be tailored to meet different needs. The proposed building blocks for the future are set out below:

1. Membership services – maintain and build on the membership 'offer', including best practice clubs, benchmarking services and leadership development opportunities; with a strong focus on good communications.
2. Networking & learning – continue to support via the working groups, subject and sub-national boards; plus the biannual conferences, annual dinner & awards, and one-off workshops.
3. Research & development – establish an ADEPT R&D programme which focuses on 'wicked' issues, including the ongoing SMART Places digital innovation research programme but also issues such as developing new business models and subsidy-free place-based services. Dependent on securing external funding / sponsorship.
4. Influencing & policy development – look to strengthen leadership, policy and influencing capacity across the whole place agenda; and look to build strategic alliances to share resources, intellect, impact.

### **4. Specific activities**

#### **4.1 Membership Services**

The traditional elements of the ADEPT membership 'offer' include opportunities to network with colleagues; active engagement with government departments and agencies; access to good practice, R&D activities, peer support and shared expertise through the working groups, subject and sub-national boards; the opportunity to attend the biannual conferences, workshops and seminars along with access to ADEPT's online resources, monthly newsletter and other publications.

ADEPT has actively sought to add to the membership offer. We have entered into an exclusive partnership with Proving Services, offering free access to local authority members of best practice research clubs (highways – established; waste & recycling - developing), and benchmarking services

at significantly reduced cost. This partnership should help to meet members' aspirations for the Association to do more in relation to capturing and disseminating good practice. It will also generate an additional income stream for the Association through a shared costs approach to the benchmarking offer.

We have launched a Leadership Development Programme (LDP) tailored for aspiring place directors, in partnership with SOLACE. The Leadership Team will consider whether, as part of the programme, it could commission the group to deliver a specific project to report at the Autumn Conference. Depending on take up, the programme could generate a modest income stream. The LDP also forms part of our efforts to diversify the sector.

Finally, we have introduced bi-annual seminars for our Corporate Partners, focusing on strategic issues of common interest including climate change; funding; resources and waste / clean growth; customer experience / journey; and changing business models.

## **4.2 Networking and learning**

Networking is the aspect of ADEPT's role that most members are most satisfied with. We will look to maintain high levels of satisfaction with existing networks, including publishing regular work plans for all the working groups and boards, and organising more one-off events (policy workshops, technical seminars, etc.). These could potentially be the starting point for producing briefing notes or policy positions. Maintaining and/or establishing strong relations with relevant government departments and other organisations remains critical.

We want the role of chair to be seen as a positive, career enhancing activity with opportunities to engage on the national stage, influence central government, shape ADEPT's position, etc. There is an expectation that chairs will plan regular meetings with clear agendas and compelling themes. Feedback from the Autumn Conference 2018 supports the proposal that chairs should look to include ways of exposing directors to news ideas from SMEs and SMART working. We are mindful of the additional workload this role may generate, and will encourage chairs to appoint a deputy and secretary to ensure resilience and succession planning.

We would like to be able to offer policy support to all of the subject boards. Historically, chairs would have drawn down policy expertise, usually from within their own authority. Those policy officers were instrumental in drafting responses to government consultations and inquiries, managing small policy research contracts and helping to set meeting agendas. This approach is now much less common as authorities find it increasingly challenging to release staff time. Separate calls for volunteer policy support have generated some positive responses; despite best intentions however, capacity to contribute has tended to be limited due to the day job taking precedence. As a minimum we expect chairs to continue to provide the administrative support their board / working group needs. The ADEPT secretariat will look to provide policy support if requested and where resources allow.

It was noted that the subject boards have some tendency to reflect today's issues and not always those of tomorrow. We have previously discussed some restructuring, in particular the Transport Board and Planning, Housing & Regeneration Board. Having reviewed our initial restructuring proposals, we intend to make the following changes as outlined in Box 1. Where there is no active sub-national board, we will look to catalyse regional activity by the most appropriate means e.g. establishing a City Regions Board in Yorkshire and Humber.

## **Box 1 – Restructuring the Subject Boards**

### Transport Board

- Rename as the 'Transport & Connectivity Board'
- Remit to include road, rail, digital, utilities
- Line of sight into DfT but also DCMS
- A good board for Sub-national Transport Bodies to join
- Digital connectivity working group moves under this Board

### Planning, Housing & Regeneration Board

- Rename as the 'Sustainable Growth Board'
- Line of sight into MHCLG and BEIS
- Consider establishing a Skills working group under this Board
- A good board for Combined Authorities and LEPs to join

### Environment Board

- Consider establishing an Air Quality working group
- Re-establish the Natural Capital & Heritage working group
- Line of sight into Defra and BEIS

### Engineering Board

- No amendments proposed
- Line of sight into DfT

## **4.3 Research and development**

ADEPT (and its precursor, the County Surveyors Society) does commission research on an *ad hoc* basis. Most recently this has included developing a better understanding of how demand for services could be managed better and costs reduced (April 2015) with a follow up study (November 2016); and reports on delivering digital innovation to the highways systems, and planning SMART Places (November 2017). These reports were funded by private sector contributions.

We are keen to continue, and potentially grow, the R&D programme (pending securing funding). The SMART Places digital innovation research programme will continue till March 2021, and has confirmed funding plus well-established governance and project management structures in place / planned.

Another 'wicked' issue which a number of our Corporate Partners have raised with us is that of new business models. The continued squeeze on public sector finances, risk-averse procurement and other factors are prompting both local authorities and providers to question the validity of current contracting arrangements. During phase 1 of the SMART Places research it was noted that current business models are not facilitating innovation at scale, nor are the skills/suppliers within some of business models fit for purpose moving forward. Recent conversations with HTMA; the framework for the CIHT review of the funding, governance and operation of the local highway network; and bilateral conversations with some of our Corporate Partners has reinforced these conclusions. The 'wicked' issue is what would a 'good' model look like, which could become a core element of a highways sector deal. Linked to this is the 'wicked' issue of whether place services could ever be free of public subsidy.

#### 4.4 Influencing and policy development

In thinking about how to respond to calls for ADEPT to have a stronger influencing voice, and to build on our positive reputation on specialist issues to become known as thought leaders in the wider place agenda, the consultants recommended two things. The first is that the Association's breadth of remit is seen as a strength and not a weakness; the second is that our influencing work must be underpinned by a small set of priorities with clear aims, outcomes, audiences and allies.

The Leadership Team will identify three or four strategic cross-cutting issues that influence the delivery of sustainable places; to bring together the key players in that space and establish alliances in order to achieve shared outcomes. This could include working with officer groups such as ADASS, ADPH and Local Government TAG, the LEP Network, think tanks such as Metro Dynamics and Localis, and more political bodies such as the LGA. We already work with / engage with many of these organisations, but the intention would be to be much more strategic and proactive, looking to generate shared think pieces, policy research, economic commentary, etc whilst not losing our distinctive voice.

We propose to focus on three strategic cross-cutting issues for the next 12-24 months:

1. Place-based funding post-Brexit
2. Communities and infrastructure
3. Climate change and environment.

These are all urgent.

The first is dictated by the UK's departure from the EU (latest 30 October), the nature of which is still unclear. We want to shape the detail of the UK Shared Prosperity Fund (UKSPF), the successor fund to replace European Structural and Investment Funds. Although the Government has said that UKSPF will be designed to reduce inequalities between communities and to help deliver sustainable inclusive growth, we need to ensure that funding is flexible and integrated, managed locally to deliver bespoke local strategies. This will not be achieved by central control of funds down rigid departmental and organisational silos. Another vital funding issue is that of farm and land management payments post the Common Agricultural Policy. The final critical funding issue is adequate resourcing of councils. It is important that local services for vulnerable children and adults are properly funded in their own right, as well as to stop the continued diversion of funding away from place-based services as councils are forced into difficult and short-term decisions.

The second is about effective local partnerships and leadership to deliver good, clean and inclusive growth. Good quality and sustainable homes and jobs depend on the integrated and strategic planning and delivery of infrastructure, including digital, green/blue infrastructure and waste management. New developments must deliver environmental net gain. This is vital to local growth and to supporting healthy communities and individuals.

The need for urgent action on the third issue, climate change and the environment, becomes greater with each passing month. Councils have a key role in developing local strategies to promote resilience and adaptation to climate change. They also have key roles in delivering the ambitions set out in the 25 Year Environment Plan including wildlife, healthy soils and air, flood and water management, accessibility and mental / physical wellbeing.

In focussing on these three strategic priorities we will be mindful of key enablers – technology, innovation, big data, and partnerships. This will mean that our activities under networking and learning, and research and development, feed in to our influencing and policy development voice.

These strategic priorities are shown in Box 2.

## Box 2. Proposed strategic priorities



## 5. Summary

Last autumn the Leadership Team commissioned an independent review of the Association. The aims were to assess whether the association remains fit for purpose; that members are happy with the services provided; that its networks and relationships are positive; and with growing success at influencing government. The final report was very positive. Two key challenges were identified: doing more to capture best practice, and for the Association to have more influence particularly in promoting 'place'.

Having reviewed the current business model, the Leadership Team is proposing an evolution around the following blocks:

- Membership services
- Networking and learning
- Research and development

- Influencing policy development, specifically focusing on three strategic priorities: place based funding; communities and infrastructure; and climate change and the environment.

We are seeking members' support of these changes. We will use the Spring Conference (27 June) to have a conversation around these priorities, with formal approval of the refreshed business model taking place at the AGM later the same day.

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