# The Art of Disruptive Thinking

Session 1: The Levelling Up Challenge – tackling the tensions in productivity and prosperity across the UK

*"The Government's long awaited 'Levelling Up' White Paper is due to be published this month. We will focus on the core Levelling Up outcomes for Place Leaders and their communities, how Levelling Up success can be measured, and whether our current approaches to Levelling Up will deliver the outcomes we need. Evaluating the key priorities for Levelling Up, the likely impact it will have, how we can make it happen and what skills and resources are needed to deliver it."*

21st January 2022

## The power of disruptive thinking

Disruptive thinking and the innovation that it spawns has radically changed the way we live our lives today. Understanding and encouraging this approach is a key tool for local authority place leaders as they work to boost the social value of the services delivered to the public and drive the organisational and operational changes needed in this post-Covid, financially constrained world.

The reality is that new, creative and innovative solutions will be needed to maintain and improve the local authority services that are demanded by the public and to help deliver the new policy objectives being promoted locally, regionally or nationally. Disruptive thinking is a key tool to help kickstart the creativity and innovation required to succeed.

This latest Excellence in Place Leadership Programme draws on disruptive thinking to help unlock the creative ideas and innovative solutions required to solve some of the most critical issues facing place leaders working in local authorities.

Meeting the UK's critical Levelling Up challenge will be the focus of this session, highlighting the ways that disruptive thinking can positively influence our response to the challenge.

## The brief

The Government's long awaited 'Levelling Up' White Paper is due to be published in January (at the time of the session). We will focus on:

- *The core Levelling Up outcomes for place leaders and their communities*
- *How Levelling Up success can be measured*
- *Whether our current approaches to Levelling Up will deliver the outcomes we need.*

The task is to evaluate the key priorities for Levelling Up, the likely impact it will have, how we can make it happen and what skills and resources are needed to deliver it.

## Outcomes from the session

- *Develop new skills in disruptive thinking, including how to use and get the most out of them.*
- *An understanding of the core Levelling Up challenges for place leaders, and how progress can be measured.*
- *A focus on what a paradigm shift in approach would have to look like to achieve Levelling Up outcomes.*
- *Input into the ADEPT response to the Levelling Up White Paper.*

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## Defining disruption

Examples of recent innovations that people have noticed, admired and think of as disruptive might include Deliveroo and Just Eat in the take-away market; mobile and smart phones in telecoms; interactive entertainment; Hello Fresh and Ocado in supermarket shopping; or smart energy meters to manage domestic and commercial energy usage.

The defining features of these innovations is that they enable us to do more with our limited time, to be better connected to friends and colleagues and to gather more data to help improve understanding of performance. But are they really disruptive or merely useful innovations?

Recent examples of truly disruptive innovation - disruption that targets the low end of the market before spreading across the entire market and displacing long standing, established competitors - might include:

- *Amazon - from selling books to selling everything*

- *Netflix – transformed movie watching and killed the video rental market*

- *Wikipedia – the reliable and updatable free online encyclopaedia*

- *the iPhone – one device from camera to laptop*

- *Airbnb - transformed the hotel industry*

- *Tesla - while not inventing the car, or starting at the low end of the market, Tesla has certainly disrupted the motor industry's approach to electrification and accelerated market development*

*"To be truly disruptive, innovations should be ground-breaking but also, as defined by Harvard Academic Clayton Christensen, should transform expensive or sophisticated products and services previously accessible only to high end or skilled customers into those that are more affordable and accessible to a broader population."*

**James Allen, Creative Huddle**

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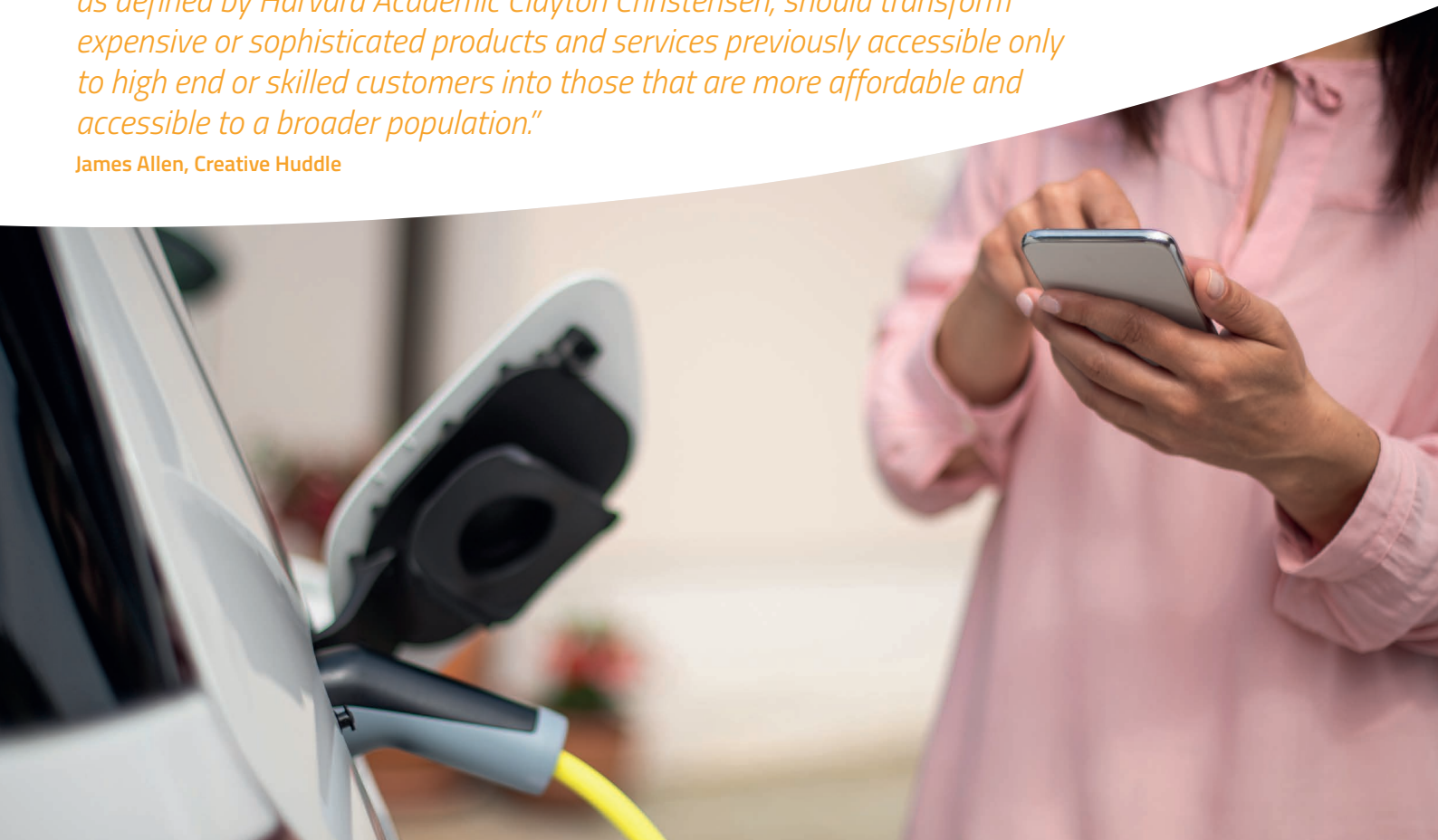
## Accelerating disruption

The Covid-19 pandemic has forced us all to think and act in new and often radically different ways, boosting and accelerating the adoption of innovation as people and businesses adapt to the new world.

Many examples are highlighted and explained in the recent Economist magazine video "How Covid-19 is boosting innovation" and range from the use of drones to deliver medicines in remote locations to the complex development of mRNA vaccines as the key to future healthcare.

While new thinking is required to drive this disruption, a new, more flexible and creative approach to regulation has also emerged as being central to accelerating the adoption of some of the most important disruptions. The post-Covid approach sees governments more inclined and willing to change the rules and create the urgency that forces us to act.

Thinking creatively to drive this disruptive innovation is hard. We are hard wired not to think creatively; our brains love patterns and hate taking risks; we have lots of in-built biases; and we are busy and lazy.

It is also hard to be disruptive when people around you are risk averse and when change can veer you off course and hinder day-to-day progress.  Within local authorities there are often political blocks to doing things differently and investment in enabling technology is often hard to secure.

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## Avoiding the blockers to creative thinking

It is important to create focus to solve a small number of problems rather than spreading yourself too thin. That makes it easier to bring everyone on board and opens up the disruptive journey to those that want to get involved.

For the public sector that means helping the private sector to get involved, perhaps by insulating them from any impact on their bottom line which might hinder engagement. Trialling is an important way to bring people together across traditional boundaries.

A focus on people and on happiness and social value – and on celebrating success – is important when trying new ideas beyond the norm. Ensuring that there is a democratic means to approve new business cases can accelerate change – the Covid-19 pandemic response has shown how this can happen.

There are a number of models available to aid the introduction of disruptive and creative thinking:

- **The James Webb Young model:** *uses a progressive set of processes to find solutions - gather raw material; look for relationships; the mental digestion process; the idea appears; shaping and development. The tendency to go straight to finding the idea or the solution must be avoided.*

- **Lego thinking:** *based on the idea that models are first made from kits to a plan then broken up and mixed to enable new, more creative models to be constructed. The more separate packs you have the more options for creativity are available to the modeller.*

There are also many techniques that can be used to help promote the creative thinking that leads to disruption such as:

- **Customer journey mapping:** *follow the path a customer takes as he/she decides to purchase a product or service*

- **Frustrations and desire paths:** *examine 'workarounds' and 'hacks' as customers seek to solve their own problem*

- **Competitors:** *see how they innovate, watch how their customers react, try their product or service for yourself*

- **Similar industries:** *look at adjacent industries and companies to see how they make things easier or more attractive for customers*

- **Different markets and countries:** *take inspiration from unfamiliar environments and business practices to see how and why their approach differs*

*"Seeing problems through fresh eyes helps get past biases. Don't judge - listen and find patterns. Question everything and be curious."*

**James Allen,
Creative Huddle**

# The Levelling up challenge

**Background**

The Levelling Up agenda was introduced in the Conservative Party manifesto for the 2019 United Kingdom general election, stating that "we will use this investment prudently and strategically to level up every part of the United Kingdom, while strengthening the ties that bind it together."

Levelling Up gathered traction once it was first introduced as a policy objective by Prime Minister Boris Johnson in his July 2021 speech highlighting the current inequality of health, wealth, education, opportunity and investment across the nation.

Why, he asked, is life expectancy in Glasgow or Blackpool on average ten years less than in Hampshire or Rutland; why is nearly half of York's working population higher education qualified while in Doncaster that figure is only 25 per cent; why are one in five working age people in Leeds not in work while next door in Bradford the number is one in three?

The policy's wider objectives were explained by Levelling Up, Housing and Communities minister Neil O'Brien, MP for Harborough in a Guardian article in which he pointed out that the policy was not about north or south, city or town but about restoring local pride. The aim, he said, was "to empower local leaders and communities. To grow the private sector and raise living standards particularly where they are lower. To spread opportunity and improve public services, particularly where they are lacking."

**Defining Levelling Up and its policy priorities**

Since the phrase was first coined, the actual definition of Levelling Up has remained – perhaps intentionally – quite vague and hard to define. Attempts have been made to set a definition for a concept which, for too long, was little more than a political slogan. Such definition include:

**The Centre for Cities:**
Based on their research, the Centre for Cities set out two goals for what Levelling Up should strive to achieve:

- *Increasing standards of living across the country.* "There is no inherent reason why one part of the country should have poorer skills or lower life expectancy than another."

- *Help every place reach its 'productivity potential'.* "The scale of this challenge varies across the country, as does the gap between current and potential performance."

**The Purpose Coalition:**
This coalition of businesses, NHS Trusts, Councils and universities is led by former Secretary of State for Education former Rt Hon Justine Greening and committed to driving levelling up through 14 Levelling Up Goals:

1. *Strong foundations in Early Years;*
2. *Successful School Years;*
3. *Positive destinations Post 16+;*
4. *Right advice and experiences;*
5. *Open recruitment;*
6. *Fair career progression;*
7. *Widening access to savings & credit;*
8. *Good health and well-being;*
9. *Extending enterprise;*
10. *Closing the digital divide;*
11. *Infrastructure for opportunity;*
12. *Building homes & sustainable communities;*
13. *Harness the energy transition;*
14. *Achieve equality, through diversity and inclusion.*

**Slido poll 1:** What do you think the priorities of Levelling Up should be?



**Slido poll 2:** What does success look like for Levelling Up?
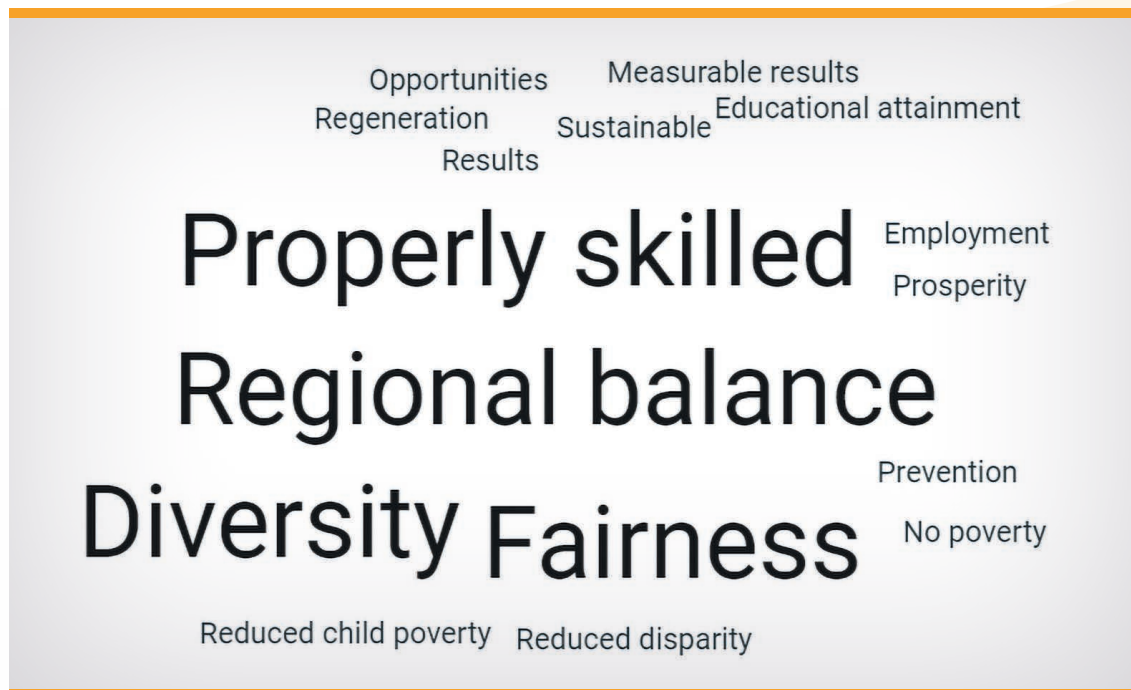
# Understanding the objectives behind the Government's Levelling Up White Paper

The Government's long-awaited Levelling Up White Paper was published in February 2022. It was produced under the direction of Secretary of State for Levelling Up, Housing and Communities Michael Gove by a new team in the Cabinet Office set up to drive the white paper.

The goal was to create a serious new agenda for national and regional government and a planning and investment regime across the UK that has the sticking power to deliver positive long-term and short-term outcomes for communities.

Although there is no new funding beyond that already announced in the latest Comprehensive Spending Review, the White Paper sets out a list of 12 long-term ambitions plus some short-term interventions to tackle the nation's geographic economic and social disparity.

Gove places the concept of community pride as central to his ambition that goes deliberately beyond tackling the north-south divide to address the more localised regional inequalities. He references as inspiration the Medici Effect, a 2004 book written by Swedish-American entrepreneur Frans Johansson, in which innovation is demonstrated through the intersection of diverse industries, cultures, and disciplines.

The paper draws on six sources of capital to be employed during the challenge of levelling up to build community pride, widen education and skills attainment, boost regional accountability and improve vital infrastructure – Physical, Integral, Human, Finance, Social and Institutional.

The paper attempts to adopt a systematic approach to levelling up based around five key headings:

1. **Investment:** *creation of a long-term mission to close the inequality gaps by 2030 through investment in research and development, skills and education so as to recreate local pride in place across the UK.*

2. **Devolution:** *deepening deals to take devolution into city councils.*

3. **Regional focus:** *a rethink of how central government works to drive focus on place.*

4. **Monitoring:** *the use of national, regional and subregional data to track and guide performance.*

5. **Oversight:** *potentially forming a new dedicated body (such as the Climate Change Committee or the Office for Budget Responsibility) with an oversight role enshrined in law.*

There is a clear realisation that Levelling Up is a complex and long-term project and an intensely political process requiring change in the way government operates. In particular, it will require a huge shift in the way that Treasury does business, particularly around its Green Book investment appraisal process where the test of success will be the White Paper's ability to address the profound inequalities caused by this means of valuing investment.

*"It's not just about cities; it's not just about economic growth; it's not just about England; and it's not just about resolving crude north-south divides. The paper seeks to solve disparity within the regions as well as across the regions and to shift the whole Whitehall investment agenda."*

**Tom Walker,
Director Levelling Up
Cabinet Office**

# Measuring the success of Levelling Up

The use of data is a crucial part of performance monitoring and decision making at a local and national level. And while many of the things that local authorities will need to do to make Levelling Up work are already done routinely, it is clear that it will be hard to forge a medium to long-term policy without understanding what regions will look like post-Covid-19.

Effective data gathering and analysis provides the tools to measure the impact of Levelling Up against its key elements:

- **Public services** – *Addressing the regional disparity of positive public services outcomes for people across the country.*

- **Productivity** – *Seeking to cure regional disparities in GDP per capita and regional GVA through boosting local economic activity, attracting investment and developing infrastructure.*

- **Place** – *Directing funding for infrastructure across the UK within: Regeneration, Transport and Connectivity.*

- **People** – *Supporting people to improve their own social outcomes within areas such as homelessness, fuel and food poverty, access to childcare, skills and education.*

The use of data is important when tackling each of these areas as we seek to tackle and cure long-term regional disparities and inequalities. Specifically, this data can help to:

- *Target interventions and see where best to focus and at what level*

- *Show and inform – to help understand how to do things differently*

- *Determine where interventions are working and understand if current policies are working.*

The use of a Policy Impact Assessment Framework is therefore important to organise this data and provide the evidence of local progress towards Levelling Up; demonstrating the scale and focus of economic and social value that flows from the investment.

Fundamentally this Assessment Framework model can help to track the impact that Levelling Up policy levers are having on local areas as measured against the four components of policy:

- *Local Leadership*

- *Living Standards*

- *Restoring Pride*

- *Opportunity*

The model would enable informed decision making around local, regional and national policy interventions with assessment classified in four key impact groups: physical; economic; connectivity; and social. This enables local authorities to frame their strategy and decision-making against outcomes and inform future development policy.

Clearly, with such a large and complex set of policy interventions, each Assessment Framework has to work for a specific region or city so as to understand the challenges, opportunities and risks. Creating individual approaches to meet needs of specific regions is key.

However, drafting a bespoke suite of measures that meet a common approach will be tricky, particularly as we move towards outcome based measures that reflect the huge regime change that is approaching – they are likely to be metrics that challenge and should not sit comfortably with local authority place leaders.

*"Using data to drive strategic planning, inform decision making and monitor performance will be crucial in delivering positive outcomes and fulfilling the objectives of Levelling Up; addressing regional disparities across the country."*

**Marcus Richards, Director EY**

# Tees Valley - Levelling Up in progress

The Tees Valley Combined Authority brings together five local authorities and represents some 700,000 people. The 2008 financial crisis started a process of industrial decline in the region, culminating in the 2015 closure of the steel works, a brain-drain as skills and talent left and a failing airport due to lack of flight demand to and from the region.

The challenge over the last five years has been to turn around this situation and "level-up" the economic and social opportunities; to rebuild business and community aspirations across the Tees Valley region to match and compete with both neighbouring areas and the rest of the nation.

This levelling up challenge meant lowering unemployment, lowering under employment and increasing the population by making the region a place people wanted to live and stay. It was clear that generational change was required.

The strategy to achieve Levelling up in Tees Valley started with a process to first understand the region's strengths and weaknesses so that opportunities could be clearly mapped out. This process identified the former steel works site as a clear asset to the area and spawned the plan for "Teesworks" - taking the old steel works and creating a zero carbon future industry park – against which a set of objectives were agreed and an action plan formed.

This plan included the creation of a Freeport to provide leverage to get industry in and to create the vital Private Public Partnerships needed to finance and fund the regeneration. The aim is to create a new hub and attract new skills and technologies to develop clean energy, low carbon hydrogen and develop new carbon capture and storage technology.

The overarching strategy adopted by the regions to deliver this change was kept simple:

- **Identify what you can really influence** – think big
- **Have clear visible leadership** – take ownership and bring partners into decisions
- **Identify delivery partners who can assist** – involve the private sector early
- **Focus on action and delivery** – and use visual outputs to help demonstrate progress
- **Communicate** – have clear milestones that people can see and measure

Success started from having clear leadership and a figure head for the project – a vital role performed by the regionally elected mayor Ben Houchen. Clear consistent messaging throughout the programme was then crucial to securing the confidence needed to attract private sector partners and investors back to the region.

A focus on achieving local benefits from investment was also crucial. Initiatives such as the Teesworks Academy and the Teesworks Job Portal have been critical to building skills and talent in the area. While the insistence of employing local businesses and including local social impact outcomes in all contracts has ensured every decision was underpinned by its value to the community.

The key was to create inclusive growth and diversification of jobs to ensure that Tees Valley is not just an industrial area. That meant securing investment and confidence from new sectors – bringing in new partners and new skills from the pharmaceutical sector, securing the new home for Treasury North and attracting major global employers such as Amazon in the area.

*"The change was not so much radical, more about adopting a 'can do' approach. We stopped putting things in the way of change, moving away from 'why can't we?' towards 'how can we'. The radical part is to avoid blame and worry, and to focus on congratulating success."*

**Chris Beck, Director Business and Skills, Tees Valley Combined Authority**

# Workshop 1: What does Levelling Up mean?

**Question 1:** What is the fundamental problem that Levelling Up is trying to solve locally and nationally?

- *The eradication of poverty*
- *Creating access to equality of opportunity - narrowing the gap between those who have and those who have not*
- *Helping citizens to live their best lives*
- *Enabling strong leadership for a system-wide approach*
- *Creating policy with the teeth to deliver*
- *Giving communities a stake in the outcome from investment*
- *Creating a healthy clean environment with access to culture and freedom from fear of crime*
- *Reducing ignored pockets of deprivation*
- *Increasing investment to accelerate community connectivity - physical and virtual*

**Question 2:** What is the likely impact?

- *Enabling infrastructure investment to change lives*
- *The creation of local pride*
- *Better access to employment*
- *Creating a catalyst for long-term change*
- *Increase in education standards, career aspiration and the quality and length of lives*
- *Achieving greater regional equality of transport, air quality and digital connectivity*
- *Boosting the nation's energy resilience and ability to adapt to climate change*
- *The ability to capitalise on partnerships with the public and private sector*
- *Opportunity to start talking regions up, rather than talking them down*
- *The delivery of new community hope - and the management of disappointment*

## Workshop 2: What needs to happen?

**Question 1:** What's your strategy to drive the Levelling Up agenda in your locality?

- *To be bold and create a long-term strategy with short-term wins*
- *To create better partnerships with the private sector*
- *To increase the amount of knowledge sharing and collaboration across local authorities*
- *To create a consistent approach to problems using a bottom up, evidence based framework*
- *Improve the quality of contract bidding*
- *Carry out a gap analysis of White Paper objectives to map an organisation's ability to deliver*
- *Identify shovel ready schemes that can start a courtship with the private sector*
- *Set up roadshow events to secure private investment and understand where we need to adjust our pipeline*

**Question 2:** What do you need as Place Leaders to co-lead the Levelling Up agenda in your locality?

- *Better match the language of business to the language of local authorities*
- *Establish long-term funding – for both capital and revenue investment*
- *Step forward and show strong leadership*
- *Seek stronger partnerships and greater alignment with the private sector*
- *Use data and intelligence to drive strategies and planning*
- *Ensure teams are comfortable with data - employ data and behavioural scientists to assist*
- *Invest to upskill staff, transfer skills across sectors, attract new skills and re-skill existing staff*
- *Accelerate learning by seconding skills from industry and academia into the public sector*

A number of issues were identified as potential themes to take forward at future EiPL sessions based around the work carried out and learning in this first session including:

- *Data, metrics and insight underpinning plans and outcomes*
- *Collaboration, co-design, and partnering with the private sector and communities*
- *Strong leadership, advocating, influencing, and communicating mission*
- *Mobilising all available resources and skills to invest in plans and outcomes*

It is proposed that these themes be incorporated into the next three sessions, with the cohort challenged to look more closely and creatively at ways that Place Leaders can help to embrace and accelerate the Levelling Up agenda as it is rolled out across the UK.

The brief for each event will be designed to ensure the cohort continues to adopt a disruptive thinking approach that can unlock creative ideas and innovation solutions, utilising many of the tools learnt in the first session, such as customer journey mapping and frustrations and desire paths.

### Questions for discussion at the start of EiPL session 2

1. *How have you developed your disruptive mindset and approach?*
2. *What opportunities have you identified for disruption in your organisation?*
3. *What have you done to generate ideas and how have you started to make them real?*
4. *What steps have you taken to get others on board with your ideas?*

### Next session
*Friday 25th March 2022*

**The use of quantitative and qualitative metrics and data to help create an authentic outcome-based strategy to 'level up' your locality.**