

# Introduction

**Covid-19 has made the 2020 Public Services Commission's findings and ways of working more relevant than ever.**

**In this introduction we explore the context of that Commission, the story of the 2010s and set out a roadmap for the future, referring to the great contributions to this collection, in order to provide insight about where we must go next to support recovery and renewal.**



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## Context

The 2020 Public Services Commission started its work in 2008, and our final report was published in the early months of the Cameron Coalition Government. We spanned two governments and the greatest financial crash of modern times. In the wake of that crash, and facing the twin spectres of unprecedented public sector deficits and growing demographic demand pressures, the Commission called for a new social contract between citizens and the state. Unfortunately, the scale of austerity that then ensued undermined much of the potential for social productivity that the Commission had identified. But as we now face an even bigger crisis in Covid-19, and think about how society can recover, the case for a new social settlement is even more compelling.

This collection of essays by people involved in the Commission is our way of reflecting on what resonance and impact the Commission's ideas have had over the past decade and what their relevance may be for the 2020s.

It is worth reminding ourselves of the original context for the Commission. This was in the late years of the last Labour government. By then we had seen a decade-long increase in investment in public services, which had led to big improvements in core public services like education and health, along with new programmes like Sure Start, New Deal, and Neighbourhood Renewal that had more specifically tackled disadvantage and focused efforts on some of the root causes of inequality. The improved outcomes in health, child poverty and education levels were, however, beginning to plateau and policy makers were increasingly caught in a rather sterile debate about new public management approaches to public service reform.

The mantra was that reform would be driven by three related forces: higher service standards; better choice for service users; and more competition between service providers. But this was increasingly running into controversy both about its overly managerial focus and its underpinning assumptions about marketisation and consumerism.

The 2020 Public Services Commission set itself the task of going back to first principles, by seeking to answer these questions: What should public services be for? How can they help create a more equal society, in which to paraphrase Amartya Sen, everyone has the capability to lead the life they choose? What relationships between people, places, businesses, services, and the government will create the best outcomes? Our critique of the British public service model, for all its successes, was that it was too top down, centralised, monolithic and managerial. The fragments of an alternative model were there to be seen in programmes like Sure Start and Total Place, but the instinct of Whitehall was to homogenise and nationalise these, rather than to allow them to be genuinely innovative and decentralised responses to local need and opportunity.

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We rejected both an individualised, marketized model and a nationalised bureaucratic one. Instead we proposed a social model, based on what we called social productivity. Our belief was that social value and public service outcomes have to be co-produced, rather than just delivered by institutions. For example, increased healthy life expectancy, and better educational outcomes result from the interaction between targeted and tailored high quality public services and individual, family and community behaviours. This more tailored and decentralised approach is critical to tackling some of the root causes of inequality in society. Universalism creates a platform for equal access, but not equal outcomes.

A more socially engaged, locally empowered model is a better way to build peoples' capabilities. We said that "Public Services should be judged by the extent to which they help citizens, families and communities to achieve the social outcomes they desire". To enable this we proposed three fundamental shifts to drive social productivity:

- **a shift in culture** towards community and individual agency, empowering and engaging citizens in the design of their own services;
- **a shift in power** away from Whitehall to local cities, towns, communities, and citizens so that they can integrate a place-based approach to public services; and
- **a shift in finance** to underpin this, so that public services are more open, flexible and transparent to citizens.

In our view, this new way of thinking about public services would be best seen through the prism of what we called the "2020 locality" in which mayor-led devolution would be the catalyst for more socially productive local services.

## What happened in the 2010s?

So, what happened? In retrospect, we can see that the 2010s was one long series of social, political and cultural aftershocks from the 2008 financial crash. It was a decade of rupture, between globalisation and communities, growth and productivity, Britain and Europe, politics and people, and science and fake news. In Britain, particularly in England, the three defining and interrelated features were austerity, a decline in average earnings, and a collapse in trust.

As Paul Buddery argues (page 24), austerity on the scale that we saw over the last decade was deeply damaging to the fabric of communities and neighbourhoods, and seriously undermined the potential to extend social productivity. When the 2020 Commission launched its report we warned that it was non-statutory community, neighbourhood and family support services which were at the greatest risk of being cut. And that without these services it would be difficult to maintain the then current levels of social capital, let alone build on this.

One of the major reasons that the Big Society project of the early Cameron years failed to take off was because these cuts in community funding holed it beneath the water line from the start. The analysis from the CPP shows that the scale of cuts to what it categorised as community expenditure (including youth services) was eye watering, down by 60% between 2010/11 and 2018/19. No surprise then that because of these cuts we went into the Covid-19 crisis with not only much reduced capacity in public services and local government, but also with much lower levels of community resilience.

Geoff Filkin rightly highlights another challenge that has not yet been properly addressed (page 36), which is how we manage and prepare for the social and economic consequences of demographic change. Geoff was a prime mover in setting up the Commission and a growing policy priority for him has been how Britain can become a more successful ageing society. As he writes, the healthy life expectancy gap is one of the greatest social iniquities in 2020 Britain. The full consequence of this has been brutally exposed in the unfolding Covid-19 pandemic, where we can see what looks like a grim relationship emerging between areas with low healthy life expectancy and higher death rates from the disease. Moreover, the failure to properly fund and reform adult social care has led to the crisis that we see playing out in care homes.

As Bridget Rosewell points out (page 26), one area in which we have made some real progress is devolution within England. The establishment of metro mayors to sit alongside the Mayor of London, has been one of the few significant policy successes for the 2020 Commission. Although these are relatively new institutions, many of which were due to have their second round of mayoral elections in May (but which have now been postponed to 2021 because of Covid-19), they do already feel like increasingly settled pieces in the governance landscape.

Nick Bosanquet is right to say that there has not yet been a sufficient transfer of power to these new institutions (page 14), particularly in terms of fiscal devolution. But even during the Covid-19 pandemic their importance and natural authority has grown, as they co-ordinate local responses; and the case for them to be at the heart of recovery and rebuilding feels unanswerable. It is interesting that Ben Page is not yet able to detect the same level of strong public support for metro mayors, as there is for Scottish and Welsh devolution (page 30), but we suspect that will come and the current crisis and its aftermath may well accelerate this.

In reflecting on the impact of the 2020 Public Services Commission, it is also worth noting that this is as likely to be found in its legacy effects on people and organisations within the public service ecosphere as it is in the implementation of specific policies. We set up the Commission as a collaborative endeavour in seeking to develop a new paradigm for public services. For us the process was also the outcome. It was more important to us to engage with and build our ideas with a cohort of policy makers and practitioners than just to produce a traditional report with a set of recommendations.

Matthew Taylor is surely right that in our times lasting change will be driven by a coalition of change makers, not by central government on its own (page 12). So our method was to co-develop our ideas through a rolling series of round tables and seminars, many of which led to spin-off discussions and groups looking at different aspects of future public services including innovative commissioning and the use of open data (on which Tim Kelsey reflects in his essay, page 34). This was systems thinking in practice.

As Adebowale, Masters and Randle write (page 6), our legacy is to be found in the work of Collaborate, which was set up by Victor with Henry Kippin (and 2020 Commissioner Greg Parston) to promote social and systems change through public service leadership collaboration. It has been taken forward by the RSA, especially in their work to promote their systems change model of “thinking like a system, acting like an entrepreneur”.

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But it is also to be seen in developments as varied as the Co-operative Councils Innovation Network, the RSA City Growth Commission (which first proposed metro mayors, and which also led to the establishment of Metro Dynamics), social contract approaches in local government such as those promoted by Wigan, Sandwell and Barking and Dagenham, the development of early intervention evidence and practice through the Early Intervention Foundation, and, of course, in the work of the Centre for Progressive Policy (which is kindly publishing this collection). Many of the people involved in the Commission have gone on to work with the government, the wider public and voluntary sector, and our towns and cities to develop these approaches in local and national practice.

Charlotte Alldritt, in her contribution (page 20), says that the big public policy question coming out of Covid-19 will be what is the new narrative that shapes the system’s thinking in the recovery era? However large the public sector deficit may be, this time the response cannot be a return to austerity. Not from a government that won big by convincing voters in the ‘Red Wall’ to lend it their votes to deliver Brexit and levelling up. Moreover, the pandemic and its aftermath will have shone an even sharper spotlight on the underlying vulnerability of disadvantaged towns in the Midlands and the North to economic and social shocks. These places do not just need to be recapitalised through major physical infrastructure projects and public works they also need investment in human capital development, from early years, through school education, to adult skills. This in turn will require a new social settlement that prioritises spending on social and economic productivity.

## What happens next?

As we start to turn our attention to building a sustainable and fair recovery, there are three important ways in which the 2020 Commission's analysis offers pointers to what should happen next.

### 1. Treat people as agents of recovery

A welcome part of the government's response to Coronavirus has been its recognition of how much depends not on what it does, but on what people do. That is why behavioural science has been at the heart of their strategy. This has sometimes faltered, especially in sometimes less than clear communication. But the challenge will be even greater as we move from lockdown to phased re-opening and then to recovery. How this plays out will depend significantly on our behaviour. This in turn will need to be shaped by an informed dialogue between citizens, communities, places and the government about how we should collectively approach and manage risk.

For Greg Parston, this is about consciously seeking to make the public's voice more powerful (page 10). Employees and unions will need to be involved jointly with businesses in agreeing what will constitute safe workplaces in an environment of social distancing. Similarly, local people should be involved with councils in co-developing plans for how town and city centres will function in the future, and what their core role should be, drawing on the deal based approaches that have already been developed by a range of places. And, as Bridget Rosewell argues, citizens should be much more engaged in helping to shape the design and focus of major infrastructure projects too, a process which the Oakervee review found was lacking in the development of HS2, but which is at the heart of the Northern Powerhouse Rail plan. This ethos can be seen in Newcastle and North of Tyne's emerging plans for post-Covid city renewal, and in the determination of place leaders to make sure that 'levelling up' really does signify a shift from 'growth at any cost', to a balanced model in which citizens, state and business work together to shape a more balanced economy.

### 2. Invest in the infrastructure that can support social productivity

A major crisis, like the one we are experiencing now, often generates unexpected societal benefits. The flourishing of social solidarity in the context of social distancing is the most notable of these in relation to Covid-19. All over the country we have seen mutual aid organisations being established through which neighbours can support each other, and particularly those who have been forced to self isolate at home, and every Thursday our communities are brought together by the 8pm clap for frontline workers. This is social productivity in practice, local people providing reciprocal support to each other through the crisis. But the real test of this social solidarity will lie in how we support each other through the long period of economic recovery, where the challenge will be suppressing the unemployment and poverty curve. This will require government support, not to run voluntary sector organisations and activities but to provide substantial funding for them.

We went into this crisis with a very weak social infrastructure, with neighbourhood, community and youth services cut to the bone and with a much depleted voluntary sector. In the aftermath of 2008, it was largely the voluntary sector which provided the new jobs delivered by the Future Jobs Fund. They simply would not have the capacity to do this now. This social infrastructure will need to be rebuilt if we are to enable our communities to be more resilient. The social activism that has been sparked through the response to Covid-19 provides a new starting point for this. But it will need careful nurturing and significant financial support to fulfil its potential.

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### **3. Devolve social as well as economic functions to enable integrated public service and economic recovery**

This crisis has exposed the limitations of an overly centralised system of public and economic administration. A welcome development has been the recognition of the critical role that local government has to play in responding to and managing the health crisis through its resilience responsibilities. The rhythm of the day may well have been set by the 5pm press conference, but it is local places that have then had to figure out what to do with these pronouncements. The challenge of managing phased re-opening is a far bigger one, and this will be largely borne by town and city leaders, who will have to manage their transport systems, high streets, town centres and public places. But this is only the beginning of the task of managing recovery and renewal.

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The economy has largely been kept on ice, and when lockdown starts to thaw, we will see the full extent of the wreckage. The early indications, and independent assessments, suggest a recession of unprecedented scale, with a huge spike in unemployment, with youth unemployment as high as 600,000, and the overall level edging back to double figure percentages. The last time we saw anything like this was in the early 1980s, and we are still experiencing the deep scarring effects of that now in far too many communities across the country. If we are to avoid history repeating itself again as tragedy, then we will need substantial and prolonged investment in vulnerable communities. This will need an integrated approach to economic and human capital development that can only be meaningfully co-ordinated and run at place level.

Devolution to Mayoral Combined Authorities has begun this process, but this now needs to be accelerated through much more substantial devolution of funding and powers that enables places to integrate public service reform and economic renewal, with long-term pooled budgets, and greater social responsibilities for employment, skills and public health

It will require substantial and tailored programmes of employment support and skills development, alongside investment in education and in early intervention to support vulnerable families. And all this will need to be aligned to local industrial and economic strategies and capital programmes to support growth sectors and create jobs. Devolution to Mayoral Combined Authorities has begun this process, but this now needs to be accelerated through much more substantial devolution of funding and powers that enables places to integrate public service reform and economic renewal, with long-term pooled budgets, and greater social responsibilities for employment, skills and public health.

As we worked on the Commission's final report, we were encouraged by President Obama's Chief of Staff, Rahm Emmanuel's much quoted observation about the Great Financial Crash that "this crisis is too good an opportunity to waste". Unfortunately, we know that the opportunity *was* largely wasted. In the face of an even bigger crisis now, our collective response must be better. We should not just dial the clock back to how things were. Recovery should be about social, economic and environmental renewal, and that will require the new social settlement that we had hoped to see in the aftermath of 2008. Perhaps, after all, the 2020 Public Services Commission's moment will come in 2020. ●