

The 2020 Public Services Commission – 10 years on

A collection of essays
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About this collection

The 2020 Public Services Commission ran between 2008 and 2010. It was a major inquiry into how our public services could respond to the significant challenges of the decade. The Commission was tasked with developing a practical but compelling vision for public services in 2020, appropriate to the conditions of the time. Chaired by Sir Andrew Foster, Commissioners were drawn from across the political spectrum, local government, academia, and from the public, private and third sectors. It was launched by 2020 Public Services Trust – which was a registered charity based at the RSA.

This publication is a collection of essays from those who were part of the original Commission. The essays reflect on the level of progress in meeting the Commission's vision and recommendations, and explores what next for public services in the UK within the context of the ongoing Covid-19 crisis.

For more details on the original Commission and its members see the inside back cover.

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”.

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

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.

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

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

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.

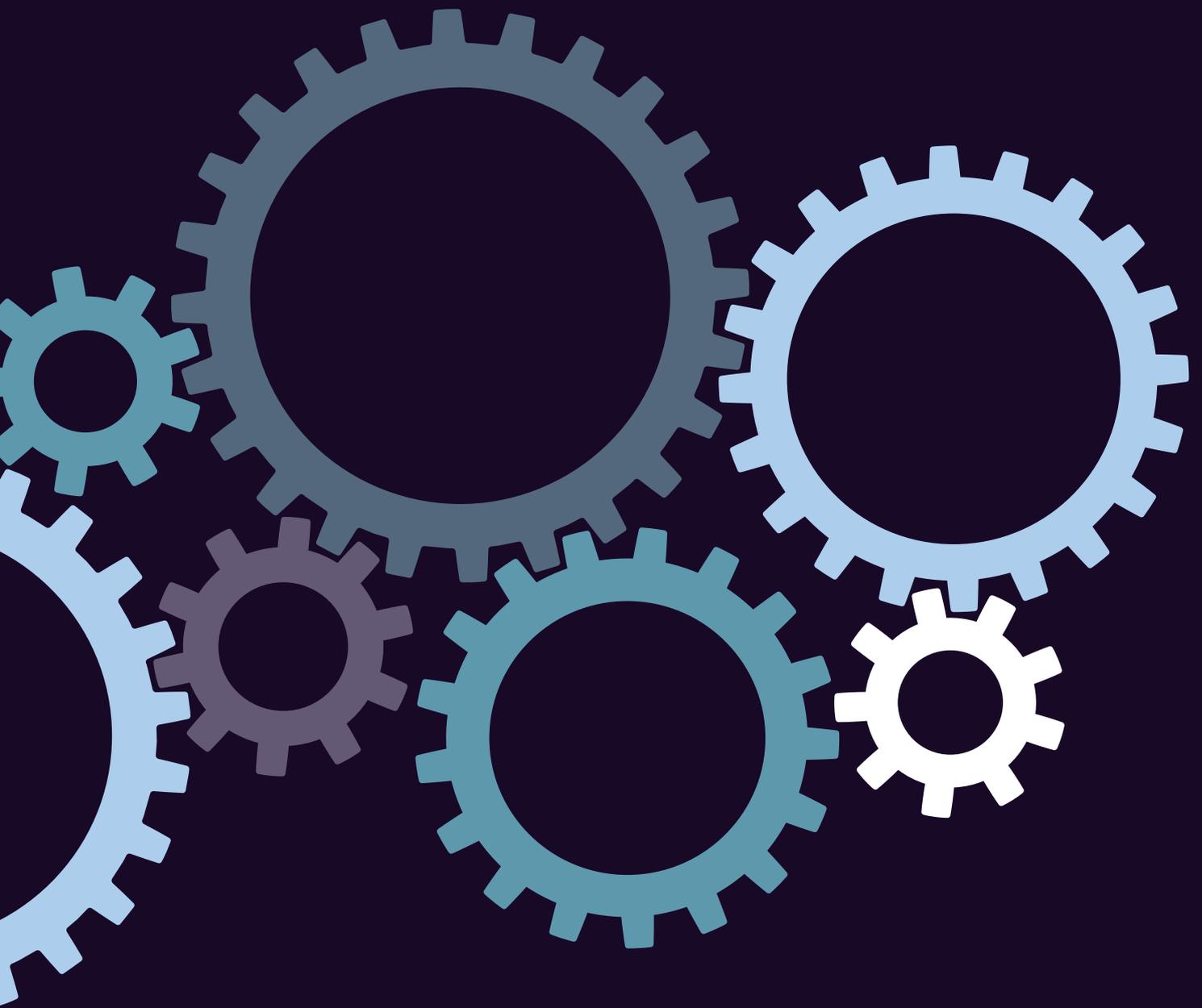
If we are to avoid history repeating itself again as tragedy, then we will need substantial and prolonged investment in vulnerable communities

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. ●



Social productivity: the future is all around us

How social value is being successfully created at local level through new forms of relational activities between state, citizen and the voluntary sector.



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The future is now appearing: it needs nurturing and spreading

For all the work the 2020 Public Services Commission did to understand future trends, no one in 2010 could have foreseen how dramatically different the context today would be. For the moment, Covid-19 has changed everything. The response has been unprecedented peacetime restrictions on movement, unparalleled pressures on health services, and a mobilisation of the state on a scale even greater than the collapse in private sector activity.

Empty supermarket shelves have been both caused by, and resulted in, a scramble for scarce food supplies. But the best of human nature has also been seen in neighbours looking out for neighbours; in the dedication and care of healthcare and so many other workers; and in communities self-organising to support those who are most vulnerable.

The immediate impacts of the pandemic on public services are dramatic and far-reaching, quite literally matters of life and death. What they will mean for public services in the longer-term cannot yet be known.

All of which makes assessing the impact of the Commission’s work in 2020 quite difficult. But, in an important sense, the Commission was always misnamed. It was never just about ‘public services’, and not really about a particular point in time. The canvas it drew on was much bigger, encompassing the entirety of the relationship between citizen and state, posing questions that are enduring, in times of crisis and in more ‘normal’ times.

They are questions that are for each generation to answer, responding to the context of the time: What can and should we do together that we cannot do alone? How do we manage our common life so that – through shared risk and shared endeavour – we can create a brighter future? In the things we prioritise, how do we turn intentions into outcomes that improve our lives, strengthen communities, and help our nation to prosper? And how do we ensure the resulting social contract is fair to all, affordable, and stable across time?

Instead of a model of social productivity, support for citizens was still viewed principally through a service lens, with problems narrowly defined by the (service) solutions available, and demand managed through higher thresholds and reduced entitlements

Navigating between narrow political and fiscal constraints and competing visions of the good society, the Commission’s answer was significant in its conception of both means and ends. Instead of thinking only in terms of public services, the answer was to mobilise the broadest range of personal, social, private and public resources to achieve an ambitious (Amartya Sen inspired) vision of positive liberty.¹

The goal was to create the means by which people can be authors of their own lives, living in communities they want to be a part of, able to take responsibility for themselves and others. The means were the three shifts – in culture, power and resources – towards a model where support was shaped by citizens for purposes they valued, and where citizens were active participants in the creation of this value.

The primary role of the state would be to stimulate the creation of social value and to ensure fairness in its distribution. Just as it makes investments to stimulate the creation of economic value and increase economic productivity, so it should do so to create social value and increase ‘social productivity’. In this vision, the citizen was at the centre, shaping the purposes of ‘public services’, having greater control over decisions affecting them, and as participants in the process of value creation. The goal was – to borrow Roberto Unger’s phrase – a “larger life for the ordinary man and woman”,² enabled not just through better services, but through a broader social mobilisation, in which the state played an active role.

1 Commission on 2020 Public Services.

2 Unger, R.M. (2009), *The Left Alternative*, Verso: London, New York, p.24.

The ‘Wigan Deal’ that lay behind their approach was a model of social productivity: a reciprocal deal between council and residents to co-produce outcomes that could only be achieved together, building on the capabilities and strengths of residents

Looking back, this vision seems as right for the future now as it did in 2010. The question is, how much progress have we made in the last ten years? If a week is a long time in politics, then the start of the last decade feels like light years ago. The political context had already changed beyond recognition. The Commission published its final report in the weeks after the general election brought David Cameron’s coalition government to power. Since then we have had three more elections and two more prime ministers, three referendums, one Brexit.

For public services it was a painful decade of austerity, against a backdrop of anaemic private sector growth. During that time, inequality grew, poverty rose, and the growth in life expectancy stalled. The urgency of climate change has become a much more central political concern. The Union is imperilled, from the push of Scotland’s nationalism and, in Northern Ireland, from the pull of membership of a single market across the island. And this is before we consider the impact of Covid-19, on life itself today and on our way of life in the future.

In a decade where so much has changed, what is perhaps more interesting is what has stayed the same. At the start of the decade it was not clear how long austerity would last, but there were few who predicted a decade. With health and education being prioritised, other areas of social spending have been hit hard over the last ten years, especially local government.

For public services, the choice was stark: shrink or reform? Looking back, we can now see how that question was answered. For the most part austerity led to reductions in entitlements, with the rhetoric of getting “more for less” frequently translating in the reality of getting “less for less”. Instead of a model of social productivity, support for citizens was still viewed principally through a service lens, with problems narrowly defined by the (service) solutions available, and demand managed through higher thresholds and reduced entitlements. The damage of this approach to the safety net public services provide has had lasting consequences for many communities. It is seen in outcomes such as the rising tide of street homelessness, in the crisis in social care and, according to Sir Michael Marmot, on how long we can expect to live.³

But there have also been examples of where constraints on resources have led to positive change. Former Wigan Chief Executive Donna Hall argues that austerity was one key driver of change for the borough. This was the council third worst hit by austerity, with cuts of £160m or around 40% of its budget by 2020. Yet the approach they took led to improved social outcomes.

How did they do it? The ‘Wigan Deal’ that lay behind their approach was a model of social productivity: a reciprocal deal between council and residents to co-produce outcomes that could only be achieved together, building on the capabilities and strengths of residents. While residents would have to play their part, the council would too, starting with a freeze in council tax from 2014. They pursued a purposeful strategy to invest in and mobilise voluntary provision, with investments made largely on the basis of trust. Collaborative, joint commissioning with the CCG enabled provision to be redesigned more flexibly around residents rather than commissioned in organisational silos and, with the pressure to make serious budget cuts, legacy provision that was not needed or not effective was decommissioned.

Commissioning in this way saved £25m from adult social care alone between 2011 and 2018. Place-based working organised around seven districts with populations of 30,000–50,000 people allowed for support from a wide range of services to be provided in an integrated way. Starting with what they called ‘different conversations’, they took a relational, strengths-based approach, and focused on prevention.

3 Marmot, M., et al. (2020) *Health equity in England: The Marmot Review 10 years on*. London: Institute of Health Equity. Available at: https://www.health.org.uk/sites/default/files/upload/publications/2020/Health%20Equity%20in%20England_The%20Marmot%20Review%2010%20Years%20On_full%20report.pdf

Despite the extent of cuts, the outcomes have been extraordinary. Healthy life expectancy in the most deprived areas of the borough has increased by seven years. In adult social care it is the third most improved borough in the country, with 100% of directly delivered provision rated 'good' or 'outstanding' by the CQC. It is the best performing borough in the North West for hospital discharges, and the fifth best nationally.

There are many challenges in Wigan that remain, not least in levels of poverty and inequality. But the council has shown how it is possible to improve outcomes and cut costs by breaking with the old ways: through a reciprocal deal with residents, by mobilising social and community resources, and by configuring support around the lives of people.⁴

Through Participle, 2020 Commissioner Hilary Cottam blazed a trail of new models of support, developing relational, participatory approaches that built on the strengths people had, bringing to life many Commission ideas. From new models of employment support to family support, health, youth and social care, her work showed that these approaches can lead to better outcomes at lower cost, if only commissioners were brave enough to take the risk.⁵

Collaborate CIC⁶ itself is something of a Commission legacy too. We were founded in 2012 by 2020 Commissioner Lord Victor Adebowale and run by Commission Manager Dr Henry Kippin, and our work focuses on nurturing collaborative approaches to tackling complex problems, building on the strengths that exist throughout local systems.

Through the work of our partners in different places, we see the innovative ways they are rethinking their approach to public services in line with Commission ideas. We see it, for example, in the relational approaches to support being piloted in Gateshead; in the commissioning approach in Plymouth that focuses on shared accountability and learning in an effort to find new, better and more human solutions to ongoing social problems; and in Sport England's brave approach to increasing physical activity through twelve large-scale experiments around the country to support local systems change.

We see it in the cooperative borough approach to building thriving communities, public service reform and an inclusive economy in Oldham, South Tyneside, Rochdale, Brent and Lambeth. We see it in Kirklees where, on the road to integrated place-based working, they are experimenting with how they can invest in community capacity and learn lessons from models of provision in their local voluntary sector. And we see it in Cambridgeshire where, through their Think Communities strategy, they are seeking to integrate services in places and mobilise community resources. And we see it in Barking and Dagenham where they are investing in new ways to support community initiatives.

We can see this collaborative future emerging slowly, place by place, but with growing momentum. Many of the examples are nascent and fragile, experiments that need to be nurtured and grown. They are the Commission's ideas in action, challenging the old model of public services and showing a better way: more human, more collaborative, and more effective. They are shifting the culture, the power and the resources. They show the future for public services, for 2020 and beyond.

Indeed, the lessons they point to go much further. In our recent Manifesto for a Collaborative Society⁷ we argued that these kinds of approaches – and the values they embody – can also show the way for our economy and our society. In a world of complexity, they show the kinds of collaborative leadership and collective endeavour we need to meet the challenges of a pandemic today and climate change tomorrow.

Despite all the pressures for change – from rising demands and shrinking resources – the old model of public services has remained remarkably resilient. But, make no mistake: the future the Commission envisaged has started to arrive. It remains fragile and unevenly distributed. If it is to displace the old, it must be carefully nurtured and assiduously spread. This is the work that is urgently needed. The 2020 vision remains. The challenge is to make it a reality everywhere. ●

4 See Wigan Council website, *The Deal*. Available at: <https://www.wigan.gov.uk/Council/The-Deal/index.aspx>
Chris Naylor and Dan Wellings (2019), *A citizen-led approach to health and care: Lessons from the Wigan Deal*, The Kings Fund. Available at: <https://www.kingsfund.org.uk/sites/default/files/2019-07/A%20citizen-led%20report%20final%20%2819.6.19%29.pdf>
Jordan, E. (2019), *The Wigan Deal: Case Study*, Centre for Public Impact. Available at: <https://www.centreforpublicimpact.org/case-study/the-wigan-deal/>

5 Cottam, H. (2018), *Radical Help: How We Can Remake the Relationships Between Us and Revolutionise the Welfare State*, Virago Press: London.

6 Collaborate CIC is a social consultancy and think tank, helping organisations develop the thinking, culture and practice needed to work across organisational boundaries to improve public services and meet complex social challenges. Available at: <https://collaboratecic.com/>

7 Available at: <https://collaboratecic.com/today-we-are-pleased-to-launch-collaborates-new-manifesto-for-a-collaborative-society-f898bd0f6886>





Citizens' power: a missed opportunity

For meaningful reform of public services, we need to go back to the public.



Greg Parston

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Each of the three fundamental shifts advocated in our 2020 Public Services report envisaged a new role for citizens:

- 1 a shift in culture prescribed a new conversation with a more responsible public;
- 2 a shift in power sought devolution of decision-making to people and places; and
- 3 a shift in finance demanded a transparent focus on outcomes for people.

All seemed so possible at the time but, sadly, little of that has happened.

Instead, we see factionalism and social media banter amongst the like-minded, leading many to wonder whether we are creeping towards the death of debate and even democracy. We see ever-increasing centralisations of power to a social and economic class that has sussed how to harness the 'voice of the people' through nationalism and fear. And we see frenzies of political dirt-throwing about numbers of schools and buses and nurses and police, instead of meaningful plans for better learning, transport, health and safety.

Public service leaders today can help recover the ground lost over the last decade. They can help construct what political theorist Benjamin Barber has called 'communal liberty', in which citizens participate actively in the decisions that affect their lives.

Citizens too often are treated as objects of service delivery decisions, rather than as active participants in the changes that directly affect their lives

Perhaps most wasteful is the failure to harness the energies of citizens as actual co-producers of their own well-being

A key responsibility for those managing public services lies in the urgent need to ready citizens for a real shift in power, through more intelligent public discourse about the impacts of public policy and the realities of local service provision. This can be done by crafting a more active co-productive relationship with citizens than many current public service delivery models allow.

Citizens too often are treated as objects of service delivery decisions, rather than as active participants in the changes that directly affect their lives. The consequence is apathy, disillusionment and even anger – but perhaps most wasteful is the failure to harness the energies of citizens as actual co-producers of their own well-being.

Of course, there are differences and divisions in belief and values among citizens, service organizations and politicians. But if civil society is to be strengthened, each must be enabled and informed to develop good understandings of the issues that influence social well-being, to express opinions and concerns, and to take decisions jointly.

In addition to readying themselves for the uncertainties beyond Brexit and budget cuts, providers of public services must work to develop the contribution of their citizens by educating them, supporting and including them in more informed discourse and harness them to co-produce improved outcomes.

The key challenge for public services leaders today must be to help build the powerful public that public services are meant to serve. ●

Building a coalition for change

In the wake of Covid-19 there is an opportunity to build a powerful coalition for change that focuses on protecting and enhancing good practice in public services.



Matthew Taylor
Chief Executive, RSA
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It is a poignant irony that despite the many reports which played on the linguistic coincidence of a date and the concept of 20:20 vision, few if any predicted the event which will end up defining the year, and perhaps many years to come. To still be of value our Commission must be relevant to the huge challenges our country now faces.

Before Covid-19 changed everything, it was all too easy to see the period since the Commission reported as a catalogue of missed opportunities, policy reversals and general decline. Yet even before the crisis there were some important advances.

The devolution of power to Manchester and the way the mayor and combined authority grasped the opportunity reflected the Commission's advocacy of greater local power place-based collaboration. In the best local government examples of digital innovation and the use of deliberative methods we were seeing more responsive models of public service management and delivery.

In the ambitions and practices of visionary local leaders in places ranging from Wigan to Barking and Dagenham, we saw an empowering model of local governance, one which enhanced the resilience and creativity of local communities and citizens.

The question now is how the pandemic and its consequences, many of which are still to play out, will impact our vision of public services. The RSA has identified three conditions that help determine whether crises lead to long term intentional change:

- Did significant demand and capacity for change pre-exist the crisis?
- Does that demand increase during the crisis, and in the response do we see a different future being prefigured?
- When societies and institutions emerge from crisis, are there political coalitions and practical policies and innovations ready to take advantage of a greater openness to change and adjustment?

In the ambitions and practices of visionary local leaders in places ranging from Wigan to Barking and Dagenham, we saw an empowering model of local governance

At one level we can see this model playing out in relation to digital. Good practice was already out there in pockets, but the crisis has seen an accelerated levelling up. Councils and many parts of the NHS have had to catch up with those who had fully appreciated how digital transformation is about a lot more than technology. The question now is not whether public services are digital it is what to do about the places and people left behind when it is the default.

In terms of local devolution, the picture is much less clear. Local authorities have been vital to supporting vulnerable people particularly when they have been able to work effectively with local civil society and self-organising support networks. Global evidence suggests that countries with strong and competent local governance have managed the crisis better. Not only is local government more responsive, but it tends to be more trusted, something which could be vital in an extended transition period.

The big test will be the role accorded to cities and city regions in ‘building back better’. The 2020 Commission encouraged policy makers to see the synergies between social and economic policy. If we add the challenge of meeting the country’s net zero target we can see the scope for triple win policies like creating an army of new workers to retrofit houses, plant trees and improve public spaces.

Another key Commission idea may also be strengthened by the crisis and the demands of its aftermath. ‘Social productivity’ suggested that a core criterion for the effectiveness of public policy interventions should be the degree to which they enabled and encouraged individuals and communities to meet their own needs. The mass observation of lock-down has been described by President Emmanuel Macron as the greatest show of solidarity the world has ever seen. Although hospitals are in the front line, we know that tackling the pandemic is as much a social challenge as a medical one. The sensitivity of policy to public attitudes and behaviour and the importance of trust and adaptiveness have all been underlined.

Inevitably policy prescriptions will soon be divided into pre-Covid and post-Covid ideas. Yet, some of the core ideas of the 2020 Commission should be dusted down and repurposed for today’s challenges. The Commission argued for the step change we unquestionably now need in our ambitions and models of public services. But the hardest part of turning crisis to change is the final element – building coalitions ready to implement practical changes.

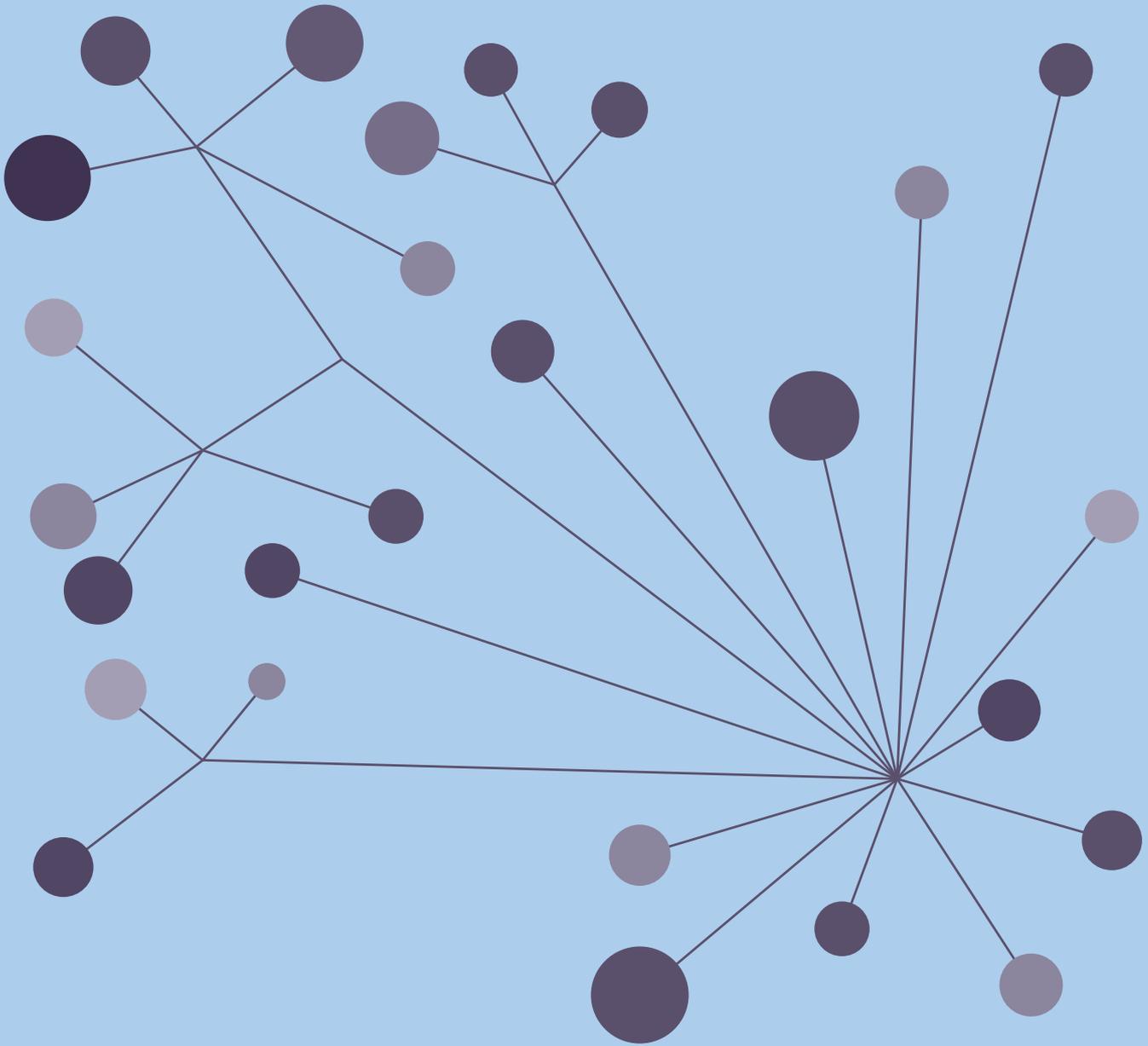
We need to articulate a vision for public services that inspires hope and shows how existing best practice prefigures a necessary future. We need to situate better public services in broader accounts of successful places in a post-Covid world and new relationships between state and citizen. We need to embed an agile, experimental, adaptive approach focusing not only on the change we might want but also where change is possible right now. At the RSA we refer to this as ‘thinking like a system and acting like an entrepreneur’.

We need to situate better public services in broader accounts of successful places in a post-Covid world and new relationships between state and citizen

One of the last face to face meetings I attended before lockdown was with senior civil servants. When I asked them to identify the biggest enablers and barriers to thinking systemically and acting entrepreneurially they offered the same answer, ‘process’ or more precisely, respectively, bad process and good process. Covid-19 has shown how the organisational furniture of government often got in the way of genuine collaboration and reform. See, for example, how the remaining vestiges of the internal market were set aside in the NHS. Before the crisis we were also starting to see examples of new more informal, ideas-rich, networks. One Team Gov¹ is an example, as are other initiatives to bring officials at all levels together around the climate emergency.

After the decades when competition was seen as the primary driver of public service improvement, we have in the crisis seen the vital role of collaboration. If we can apply the same spirit to the transition and the world after Covid the noble aims of the Commission may yet be fulfilled. ●

1 <https://www.oneteamgov.uk/>



A troublesome legacy: more centralised, less preventative services

Over the last decade, health provision has become more and not less centralised, moving away from localised prevention which is so critical to addressing the complex needs of an ageing nation.



Professor Nick Bosanquet
Professor of Health Policy, Imperial College

Local government has been the unsung hero of austerity. There has been a gulf in funding between the NHS and the services run by local government whose services have had very serious reductions, even where they are complementary to health services as in prevention and personal social services. However, local government has managed change much more effectively than central government. The Care Quality Commission (CQC) has shown that local government funded services have a higher level of good or excellent services in care homes and in home care than NHS acute hospitals – 84% compared to 72%.

The NHS has had a better ride on funding than other public services, but this has been linked to greater centralisation – more funding but reduced local initiative in using it. Compulsion, indeed obsession, with targets and waiting times from the centre has increased the shift towards hospital services which now take in 62% of spending compared to 55% in 2010. This reflects government planning targets – and medical pressure towards high tech services.

The political priority of hospital targets has meant that we have an unbalanced service with worsening mental health services and services for elderly patients. There is a new hidden problem of Cinderella services. The NHS has had unsung successes – one has been to reduce mortality from Coronary Heart Disease: another the reduction in late diagnosis in HIV by 50% – from 20,000 to 10,000. These successes depended on local initiative and have had little attention from the centre: the shift towards hospital care will create many problems for the future. How do you create an integrated service in an unbalanced system?

Another part of the legacy of centralisation has been rising cost. The health service has seen a faster rate of cost increase than the economy. The cost of specialized services (as defined by NHS England) in the NHS has risen 7% per year since 2010 and there have also been cost increases affecting care services.

The NHS certainly met the Nicholson challenge in 2010–15 but at the cost of shunting some very serious problems down the road. There have already been significant effects in increasing the burden on carers.

Unlike past inspectors in health and social services, the CQC itself has made a great impact. Britain has the world's only system for inspecting quality across all health and care services. This is a new and unexpected development since 2010 and one for which ministers can take credit. Yet the CQC has raised the costs of providing care and made it more difficult for small care homes (which provide most of the homes rated as excellent) to stay in the service.

One final element in the legacy has been the increased practice of rationing – overt in local government services and mainly covert in the NHS. In home care services, out of 1.4 million requests for services, only 400,000 get any service: within the NHS, the old problem of extended waiting times for established services has recurred – together with the more inevitable problem of rationing for innovative services. Social media increases the demand for new services much faster than the limited number of innovators that can supply them. The NHS certainly met the Nicholson challenge in 2010–15 – but at the cost of shunting some very serious problems down the road. There have already been significant effects in increasing the burden on carers.

Our 2020 report made some very sensible suggestions for the management of services, but it did not have much to say on the tough question of how to meet public expectations with reduced funding. In the future lies the demographic challenge which will raise demand for services and reduce the tax paying population. However, there is one great strength which has come through in the last ten years: the commitment and care of the 2.5 million people who work in education, health and caring services. The key issues now are how to create more freedom for local and regional initiative in using this resource and how to raise productivity in terms of outcomes rather than activities. ●

Fact sheet

Tracing social productivity during the austerity years

Defining and measuring social productivity

The 2020 Commission coined the term social productivity to stand for empowering forms of public services which were delivered locally, and citizen-led. The commissioners argued that to ramp up social productivity over the coming decade would require more participative, citizen-service engagement, more local control over decisions and a shift in finance away from the centre.

To assess how far we have come, this short fact sheet presents results from a new index of social productivity based on available data in the Community Life Survey (2013–19).¹ This is a composite indicator using 12 variables to measure the following themes:

- 1 Action** such as civic/social action and volunteering;
- 2 Influence** over local decisions; and
- 3 Belonging** to the local community.

All data relate to England and its regions.²

Themes and variables for social productivity³

Action

Involvement in social action in local area at least once in the last 12 months

Any volunteering, at least once a month

Any volunteering, at least once in the last year

Civic participation at least once in the last year

Civic activism at least once in the last year

Given to a charitable cause in the last four weeks

Influence

Agree that they can influence decisions affecting their local area

Attended a civic consultation at least once in the last year

Belonging

Chat to their neighbours (more than just to say hello) at least once a month

Feel they belong strongly or fairly strongly to their immediate neighbourhood

Agree that their local area is a place where people from different backgrounds get on well together

Satisfied with their local area as a place to live

¹ The Community Life Survey can be found here: <https://www.gov.uk/government/collections/community-life-survey>

² Full methodology can be found in the Appendix.

³ Each of the three themes is weighted equally in the construction of the index.

What happened to headline social productivity?

- The Social Productivity Index fell by 3% between 2013–14 and 2018–19.
- The biggest fall was experienced in the West Midlands which fell by 6%.
- Every region experienced a fall in social productivity during this time.

Regional Social Productivity Index, 2013–14 and 2018–19 (100=England in 2013–14)

Source: CPP calculations



Which aspect of social productivity fell the most?

- The overall fall in social productivity was driven by a fall in the **Action** theme – down 5% in England.
- The starkest falls in **Action** were in the Midlands – 10% fall in the West Midlands and 7% fall in the East Midlands.
- The South West has consistently had the highest level of social productivity by region (top in both 2013–14 and 2018–19) though it has also experienced a decline.

'Action' score from the Social Productivity Index, 2013–14 and 2018–19 (100=England 2013–14)

Source: CPP calculations

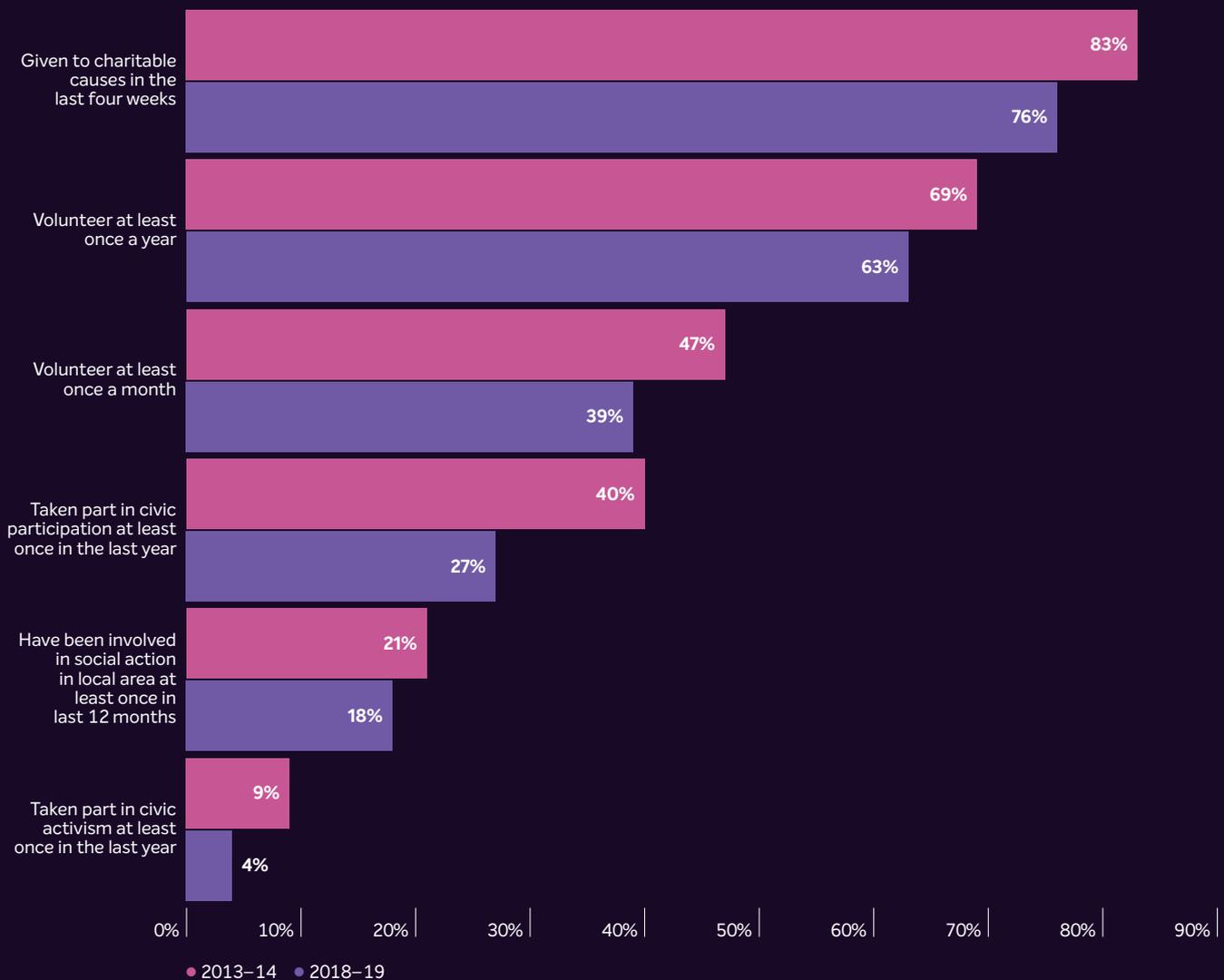


What has happened to the West Midlands?

- Yearly civic participation has fallen most dramatically – from 40% in 2013–14 to 27% in 2018–19.
- In terms of overall numbers of people, this equates to 600,000 fewer people engaging in civic participation by 2018–19.
- All **Action** measures have fallen in the West Midlands – including falls in volunteering (6%) and giving to charitable causes (7%).

Civic and social action by type in the West Midlands, 2013–14 and 2018–19

Source: CPP calculations



Why has social productivity fallen across the board?

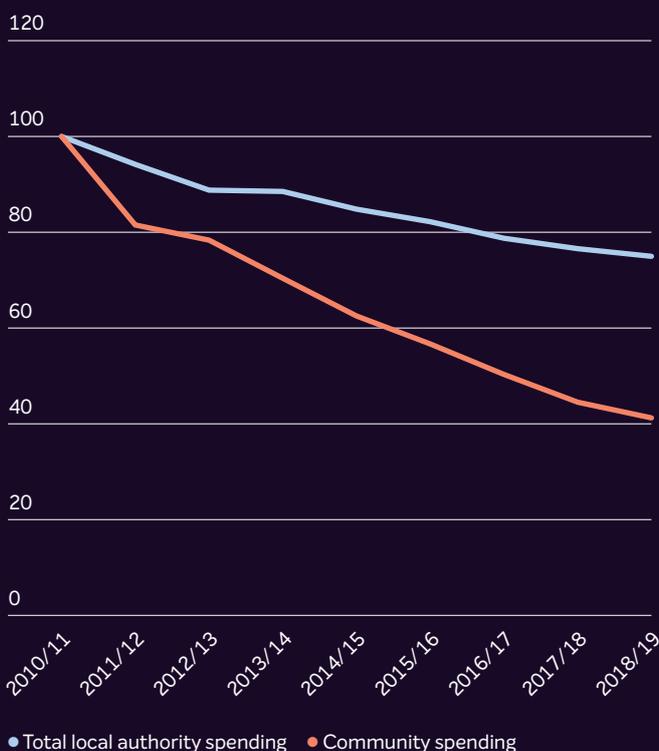
The destruction of community institutions and services

The decline in social productivity in England is perhaps unsurprising given the level of cuts to local government spending and in particular those aspects of local spending that support community cohesion and engagement.

In this context, this fact sheet presents a new measure of community spending which is defined as the level of per head spending on: libraries, open spaces, recreation and sports, Sure Start, and services for young people.⁴ This type of spending has been totally decimated over the last decade. While total local authority spending has fallen by 30%, spending on these important community activities and institutions has fallen by nearly 60%.

Community spending vs local authority spending per head (100=spending in 2010–11)⁵

Source: CPP calculations



Where has community spending fallen the most?

- Cuts to community spending have been large across the country, with every region seeing massive falls.
- While the largest fall in community spending took place in the North East (from £154 per head in 2010–11 to £51 per head in 2018–19), the region with the lowest per-head spending is currently the West Midlands, with just under £40 spent per head in 2018–19.
- The West Midlands also saw the largest fall in spending on youth services of any region (81%), and the APPG on Knife Crime linked such cuts in Wolverhampton to increased knife crime in the area.⁶

Community spending in £s per head by region, 2010–11 and 2018–19⁷

Source: CPP calculations



4 Underlying data for our calculations come from MHCLG on local government spending by type and DfE on local authority and school spending. More details can be found in the Appendix.

5 Per head spending data is in real terms (2018–19 prices).

6 All-Party Parliamentary Group on Knife Crime & Violence Reduction (2020). *Securing a brighter future: The role of youth services in tackling knife crime*. Available at: <http://www.preventknifecrime.co.uk/wp-content/uploads/2020/03/Securing-a-brighter-future-the-role-of-youth-services-in-tackling-knife-crime-v.2.pdf>

7 Community spending data is in real terms (2018–19 prices).

Where

next?

Rewriting history and the role of the state

The last decade was shaped by the seismic impact of the financial crash in 2008 and global recession that followed. The next decade will be shaped by the global Covid-19 pandemic, rewriting policy orthodoxies and challenging ideas about the role and size of the state.



Charlotte Alldritt
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Ten years ago, the economic and political fallout of the financial crisis catalysed demand for more inclusive growth. As economies started to recover, the question increasingly became whether and how markets and governments could ensure as many people as possible were able to contribute to, and benefit from, economic growth. Inclusive growth called for the quality of economic growth, not just its rate, to take centre stage. In the UK the political tide slowly began to turn towards the end of the decade, culminating in a demonstrable commitment (albeit at its earliest stages) by Boris Johnson's government to 'level up' the regions and nations of the United Kingdom.

Greenhouse gas levels also started to fall. Not because of concerted action on the part of environmental campaigners, unassailable scientific evidence or multilateral cooperation on tackling climate change. But because of the unprecedented shutdown of modern life as we know it; cities in lockdown, aviation grounded, heavy industry suspended. The scale of the impact of coronavirus – economic, social, emotional – will be substantial, and will fully reveal itself over the long term. But already democratic governments across the world are rewriting the rule book in their attempt to save lives while protecting the infrastructure of our societies and livelihoods. It could spark the birth of a new paradigm, in which clean, inclusive growth is even more of an imperative.

Orthodoxy overturned

In 2010 a different chapter was being written. The hung parliament of 2010 and formation of the first coalition government since the Second World War was the first of several political knock-on effects of the economic crisis. Brexit would later trace its recent history back to this point, as people and places 'left behind' from headline growth were now at the frontline of the economic downturn. The economy contracted for five successive quarters and would take five years to recover to the size it was before the recession. It was only in February 2020 that wages returned to pre-crisis levels.

However, a deeper effect of the financial crisis was – after a huge initial public bailout of the banks – a shift in policy orthodoxy and challenge to the role and size of the state. In only a few short months the political narrative of the day overturned the New Labour consensus that had led to a significant and sustained increase in government spending and investment in public services during the 2000s.

Increases in government spending under New Labour did not always lead to improvements in social and economic outcomes. Long-standing patterns of inequality persisted; 'education, education, education' and a suite of regional policies failed to address the long-term impact of deindustrialisation and economic decline in many northern and coastal communities.

Nevertheless, the introduction of the National Minimum Wage, Tax Credits and expanded state-funded early years education resulted in better living standards for many. NHS outcomes improved and the number of people living in poverty in the UK fell – especially pensioners and families with children. While real government spending rose, expenditure as a proportion of GDP hovered at about 40%, a level the Institute for Fiscal Studies described as "not particularly high, either by the UK's own historical standards or by international standards."¹ Labour was able to take advantage of a strong economy and sought to redress the effect of the previous Conservative administration's chronic underinvestment in public services.

The political tide would turn again, and quickly. By the time of the 2010 election, even Gordon Brown – who clung on to the last on the merit of public service investment, efficiency and reform – was forced to accept that cuts were necessary to ensure financial sustainability. The bank bailout and fiscal stimulus had bloated the state to 45% of GDP in 2009. A year later, more than half of the British public accepted the narrative that a policy of austerity was vital for staving off economic ruin of the kind we saw in Southern Europe.

In his first Budget statement, George Osborne, then Chancellor, set out the government's fiscal mandate to eliminate the structural deficit and see debt start to fall as a percentage of GDP by the end of the Parliament (2015/16). So keen were departments to fall into line (and avoid explaining any overspend to the Committee of Public Accounts) that Total Managed Expenditure by 2015/16 actually fell further in cash terms than the government's original plans.

Local government bore the brunt of the cuts, and departments that were not protected (all except health and international development) saw expenditure reductions of up to 35%. 11,000 police and probation officers were cut and, as the chart on page 19 shows, spending on community institutions, such as Sure Start centres, youth services and recreation and sport fell by up to 60%. In the face of long-term rising demand for public services, the challenge was how to do more with less.

¹ Keynes, S. and Tetlow, G. (2014). *Survey of public spending in the UK*. Institute for Fiscal Studies. Available at: <https://www.ifs.org.uk/uploads/publications/bns/BN43%20Public%20Spending%202014.pdf>

Orthodoxy overturned again

Reducing the budget deficit was a policy legitimised by the need to restore financial sustainability. It was also a conscious downsizing of the state. Several commentators, as well as the 2020 Commission, warned against indiscriminate ‘salami slicing’ of programme funding. If cuts were necessary, we asked, how might they be achieved to inspire new, better and cost-effective ways of delivering public services? How might savings be found that protected people and places, not just certain departmental lines?

A decade later even Conservative party ministers acknowledged that many public services cuts had been too deep, especially in local government and social care.

At the time, George Osborne talked of investing in productive capital investment to bolster the foundations of the economy. But his definition of capital was too narrow; he underestimated the positive, supply-side impact of social as well as physical infrastructure investment.

Recently the Centre for Progressive Policy reviewed the returns to capital investment and preventive-oriented spend in public services.² We identified these were at least on a par with investment in transport. The current government was also receptive to the idea, with the new Chancellor, Rishi Sunak, having recognised in his first Budget speech that investment in what it calls the ‘people’s priority – public services’ can be a driver of productivity, growth and a ‘levelling up’ of opportunity and outcomes across the regions and nations of the UK.

The government’s levelling up agenda is on hold until it has shored up places, firms and families at risk from what could be the deepest recession in 300 years

But Rishi Sunak’s bold first fiscal event was to be the fastest forgotten Budget in living memory. Less than a week later the Chancellor was forced to commit another £350bn – unprecedented in peacetime – to support households and businesses under government-imposed lockdown. The government’s levelling up agenda is on hold until it has shored up places, firms and families at risk from what could be the deepest recession in 300 years.³

Uncharted territory

Policy makers across the world are grappling with how to respond both to a global pandemic and to an unprecedented economic crisis. In the UK the government has become the ‘payor of last resort’. In doing so it has been forced to fill in the holes many have long acknowledged in our social security net, notably extending welfare entitlements to the self-employed. While this enhanced role of the state will be temporary, entitlements once awarded will be difficult to retract.

At a local level, analysis by CPP finds that places most likely to be hit hardest in the long-term economically are precisely those which Boris Johnson’s levelling-up agenda targeted. Only four of 90 Towns Fund local authorities were categorised as resilient to the long-term impact of the economic crisis, and zero from Red Wall areas. Nearly 50% of Red Wall local authorities and nearly 40% of Towns Fund local authorities were classified as vulnerable to permanent ‘scarring’ effects.⁴



The current crisis makes the case for levelling up through inclusive, place-based economic growth all the greater. As risk averse political leaders and officials start to search for the green shoots of recovery, they must not rely upon ‘growth – any growth’ until the economy is out the other side of the downturn. Instead we need to ensure that the principles this government seemed willing to embrace in its first few days in office – investing in human capital and in social infrastructure; institutionally prioritising economic returns outside London and the South East, and expanding the role of place in national and local policy making – enable a new model for our political economy.

We start the new decade with an unprecedented peacetime level of state intervention. It will need to retreat as the economy and society finds its feet again, standing on ground shored up by economic measures to support workers, households and businesses, bolstered by a desire within communities to support each other and the services they value most. There is little political appetite to reinstate austerity, so the rule book – notably regarding acceptable levels of public borrowing – will need to be rewritten. Orthodoxies are being challenged and will need to be overturned once again to deliver sustainable, broad-based prosperity for all. ●

2 Stock Jones, R. (2020) *Productivity knocks: Levelling up with social infrastructure investment*. Report for CPP. Available at: <https://www.progressive-policy.net/publications/productivity-knocks-levelling-up-with-social-infrastructure-investment>

3 Office for Budget Responsibility (2020). *Coronavirus Reference Scenario*. Available at: https://cdn.obr.uk/Coronavirus_reference_scenario_commentary.pdf

4 Alldritt et al. (2020) *Back from the brink: Avoiding a lost generation*. Report for CPP. Available at: <https://www.progressive-policy.net/publications/back-from-the-brink>

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Social productivity in a lost decade

In the face of a very tough decade for public service delivery there were some shining examples of citizen-service engagement.



Paul Buddery
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(Feb 2017– May 2020)
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It has been a very bad decade for public services. For the people who depend on them and work in them, their experience has been dominated by cuts and closures. Unparalleled disinvestment has affected the least powerful the most grievously. This has not been the future that the 2020 Public Services Commission envisaged; and to begin a review of the Commission's legacy without acknowledging this unhappy – and for many, deeply damaging reality – would be obtuse.

The Commission had been well aware of the risk of service failure and retreat if fiscal and demographic challenges were not addressed. The coming crisis was part of our case for change. To avert it we rejected old style public governance as being paternalistic, centralizing and producer-led; and we rejected new public management as being transactional, consumeristic and market-led. Instead, we called for public services to be designed in order to increase what we termed their social productivity – they should be relational and citizen-centred. It was a change that would require fundamental and inter-related shifts – in culture, power and finance. Despite, and in some ways because of the deprivations caused by austerity, we have actually seen considerable progress against at least two of these – culture and power.

The shifts in culture we wanted to see were towards more participative, co-productive or even democratic forms of citizen-service engagement. In order to achieve valued social outcomes, citizens needed a stronger role in determining what these should be, and needed to be engaged more creatively in bringing them about.

Today, it is an approach that many services sign up to: the language of 'with not for' has become ubiquitous. Practically working it through is, of course, the bigger challenge, against which progress has been patchy. But the logic of the position is mainstream.

The recently published Independent Care Review in Scotland, which is looking at the care and protection of children, has involved children and young people at every stage and is proposing radical changes that reflects their priorities. In England, the NHS Long Term Plan includes major changes to system architecture, but these technocratic changes build on preventive and participative principles – the need to avoid 'care and repair' by engaging citizens and patients as capable citizens in promoting their own health.

In order to achieve valued social outcomes, citizens needed a stronger role in determining what these should be, and needed to be engaged more creatively in bringing them about

Over the last decade, much of the most exciting public service innovation has been in local government, where habits of municipalist planning and control have been giving way to new forms of system leadership and citizen engagement

The steady rise of youth social action, and the more recent promotion of local or neighbourhood ‘platforms’ through which individuals and communities facing multiple challenges can self-organise, share skills and experiences (Participatory City in Barking and Dagenham is one example) also express the culture shift the Commission proposed.

The shift of power that we proposed had several dimensions, but its main stage was geographic and administrative. There needed to be a shift of power away from an overly centralized state, down to more local control. Whitehall was, in language that has become popular since our report (Timms and Heimans, 2018), the quintessence of Old Power – top down, leader driven, institutional – characteristics that are sometimes useful, but are often overbearing and distinctly problematic if public services are to be judged and guided by their social productivity.

On this front, there has been a decisive, if complex shift. Devolution has been the most high profile change to our public service settlement over the last ten years. What that looks like in different areas of the country is very different – understandably given that it was introduced on the basis of ‘variable geometry’ and ‘deals’ between the centre and different local government and business partners.

How ‘Old Power’ or ‘New Power’ these new localities are in practice is still being worked through, but they are better placed to understand the strengths and priorities of their people and places, and to engage with them in implementing solutions, and to be held to account for outcomes than a Whitehall department. Over the last decade, much of the most exciting public service innovation has been in local government, where habits of municipalist planning and control have been giving way to new forms of system leadership and citizen engagement that bring together asset based service design and inclusive economic growth.

Progress in local government should, however, be read with a number of caveats in mind, most of which relate to the third shift proposed by the Commission – a shift in finance – against which least progress has been made. Local government innovation has been spurred by drastic reductions in funding, so the new ‘deal’ that some local authorities have been making with their citizens has been under the conditions of austerity. In other words, these citizen deals and systems of collaborations have been forged with very specific incentives. How much of them would survive the peace?

Many areas of public service decision making and provision remain firmly under Whitehall control in ways which cut across localist practice. The Commission had recommended localizing some welfare services, but welfare remains highly centralized. There are understandable reasons for this, but it does mean that local government services have often found themselves in the position of trying to mitigate the impact of central government programmes – the roll out of Universal Credit being the most jarring example.

Even more fundamentally, the funding base of local government is fragile. The local government funding formula determining the level of central government grant in England is a matter of ongoing political conflict, rather than a fixed constitutional agreement. Business rates, set in Whitehall, are increasingly problematic as business sites and business value go online. Council Tax is based on 30 year old property valuations – a can that cannot be kicked down the road indefinitely.

The Commission’s vision for 2020 public services was not realized. Austerity drained our social resources more rapidly than social productivity could renew them, and economic insecurity and social division have grown alarmingly. The Commission had warned against precisely these risks, but the limited implementation of some of its ideas provided only limited mitigation. Nevertheless, the vision remains strong, drawing our focus beyond sectoral improvement and towards broader, inter-related challenges of economic, social and environmental resilience.

Today, our resilience is being tested more painfully than at any time since the Second World War by a virus that has required massive state intervention, and has driven rapid self-mobilisation by communities. Given the dramatic scale of these upheavals, any suggestion that our public services will simply return to ‘normal’ once the horror of the epidemic has passed, and that our social contract will not carry the mark of events would seem fanciful. 2020 will, after all, turn out to be a historic moment for our public settlement. And in the long and difficult work of reconstruction, the Commission’s vision can still serve us well. ●



It is not enough to have good ideas: actions come harder

We must keep pushing for transparency, engagement and devolution in order to deliver better public services that engender the trust and empowerment of citizens.



Bridget Rosewell
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2020 is well underway so it is salutary to reflect on how much has changed and how much or how little we have achieved. I want to focus on those aspects about which I got most excited and energised, not to say assertive, at the time and where I think that we most need to make more progress. These are transparency, engagement, and devolution. These are all areas in which I have tried to continue to make progress, with mixed success.

Much of what follows rests on my proposition that if we treat citizens like children, that will tend to make them behave as such. In the last ten years, pressure groups and petition organisers have sprung up on all kinds of topics, mostly asking for 'more'. More expensive drugs, more railways, more childcare. None of these calls consider how 'more' is to be paid for or who should provide it. Why should they, when there is no responsibility for raising finance or for understanding the link between how something is paid for and the taxes you pay. That is all done by 'them' not 'us'. In the ten years since our report was published, government spending has continued to rise, even while austerity has been trumpeted and some local authority services decimated. We have not balanced service requirements and costs very well at all.

It is not surprising that a distrust of experts has increased under these circumstances. Michael Gove was derided by experts for suggesting that they should not be believed. He was (naturally) taken out of context, but in a world where expert decisions swing about and seem to get things wrong it is not very surprising.

Trust in citizens must be the bedrock of democracy. It was a key part of our discussions at the Commission. There is still a way to go.

Transparency

In the original 2020 Commission it was my view that every citizen should have a financial statement showing their use of public services in any given year. That requires investment in systems and would need to be developed over time so that people would get knowledge of where their money goes and what things cost. If we want to maintain free delivery at the point of use, then citizens will have no clue of the value of what they have received from the health service. The massive amount that is spent on it is meaningless since for most people a billion is as far out of their experience as a gazillion.

We provide statements of local spending alongside council tax bills, which gives some detail and although it is still not well related to an individual's scale of reference, at least these are millions not billions. It is a great disappointment to me that this idea was originally taken up by George Osborne, but did not survive very long. One pushback that I heard at the time and which still makes me cross is that citizens would not support paying taxes if they knew more about where the money went. This is the kind of arrogance and distrust that I find deeply disturbing and indeed misplaced. A successful polity will need to incorporate many points of view and be inclusive so that it can know many things.

A successful polity will need to incorporate many points of view and be inclusive so that it can know many things

In my work over the last few years with the National Infrastructure Commission, where I am a Commissioner, we have tried hard to be transparent and have found that citizens welcome transparency and are not as individualistic as those who fear telling people where the money goes appear to believe.

Thinking about transparency also leads to more clarity about accountability. I admit that this is difficult in a world where chucking blame around is endemic. But equally a lack of accountability also leads to no one knowing who should or can make a decision and therefore hold themselves, let alone others to account. The recent work by the DfT and the IPA has focused on accountability and clarity as a key need in their review of major projects and what needs to change to prevent overruns and poor delivery.

Engagement

This is the necessary concomitant of transparency. And it requires an acceptance that experts' points of view are not the only relevant ones. I had a moment of epiphany many years ago when I realised that my attempts to make the world a better place could not mean that I knew better what people wanted than they did. I was brought up in the 1960s when a belief in central planning and that experts could model the world and optimise the outcomes still existed. While we have all moved on from that totalitarian belief system, some of its tenets persist. In particular, government decision making is plagued by the preparation of The Plan, the elevation of optimisation above practicality or deliverability, and what feels like lip service to engagement.

There are many periods of 'consultation' but too often they amount to telling rather than listening, and the idea that changing The Plan from the one so carefully devised and constructed by the experts is too hard to contemplate. This often results in scope creep as the project proceeds. The Plan for Phase 1 of HS2 has been significantly adapted during the Bill stages to make it acceptable (or less unacceptable) to those affected by it. This now means that travellers between London and Birmingham will have a view from the window for only 8 minutes of their journey. Speed was privileged over capacity requirements or considerations of connectivity and access as a result of an early focus which subsequently prevented wider considerations until it was too late.

We will be living with the consequences of this for a hundred years, as the Oakervee review shows. Deeper engagement with passengers and local people at the outset would have taken longer but might have produced a scheme to provide much needed extra capacity which better balanced citizens' needs.

We need to build consensus rather than expecting central government to arrive with a big stick and tell us what to do

During the National Infrastructure Commission's work, we began to develop some experiments in deliberative democracy. The National Infrastructure Commission has carried some of this forward. Of course, citizens who are misinformed may have a distorted point of view, and correcting misinformation is not always easy. However, some forms of perceived misinformation are simply different perspectives and points of view. We need to build consensus rather than expecting central government to arrive with a big stick and tell us what to do.

This applies still more to welfare services. Colleagues on the 2020 Commission were very aware of how top down services could mean that resources are not directed to where they are most needed, and families could find themselves entangled in many agencies and disempowered as a result. A focus in government on identifying 'need' incentivises people, organisations and authorities to be 'needy'. This militates against discovering independence and ways of supporting oneself or one's locality. It also incentivises agencies to spend more and more time and resources in identifying need in order to garner budgets. This is not surprising, but neither does it help.

This attitude is still deeply embedded, including in the local planning process and is proving very hard to shift.

Devolution

A central theme in the work of the Commission was devolution. This is a necessity if a focus on transparency and engagement is to work. In this, we hit the zeitgeist. Ten years ago, city deals were in their infancy, and the only metro mayor was in London. Combined authorities had been permitted by an Act of 2009 and the first one, in Greater Manchester, was created in 2011. The roots of these are essentially a bottom up phenomenon as indeed was the creation of the Greater London Authority, for which I acted as Chief Economist from 2002 to 2012.

Almost from the abolition of the metropolitan councils in 1986, there was pressure to create alternatives. London had several commissions lobbying for a central authority to deal with transport, waste and planning, while Manchester quickly created AGMA as a voluntary group to coordinate activity.



But the activities of local authorities are still massively constrained. The Mayor of London has extraordinarily little independent finance, and most funding is earmarked for particular purposes overseen by central government. This is pretty much unique among major cities across the world. Although we have created bottom up arrangements to deliver and to plan, getting them status, finance and the kind of authority which would make them responsible for their decisions is much harder. And of course whenever anything goes wrong, central authority finds evidence for the failure of devolution, rather than accepting that in any system not everything works to plan.

A good example of how those constraints have played out is in the housing market. In spite of the Barker review in 2004, it has taken more than ten years for this to become a housing ‘crisis’. The limitations on housing provision by local authorities, and the bureaucratic national industry around predicting housing ‘need’ has contributed.

The answer is to keep saying the same things in as many ways as possible and to make sustaining the status quo harder than changing it

The next ten years

There are no quick fixes. Systems that have grown up over decades are hard to shift. They are supported by their practitioners, and by fear of doing things differently. The answer is to keep saying the same things in as many ways as possible and to make sustaining the status quo harder than changing it.

I have spent nearly twenty years trying to change the way we do transport project appraisals. In that time, much has changed but much remains the same. So the answer is simply to keep going. Keep pushing for more transparency, for more engagement and for more devolution. I shall. ●

Public services and localism before and after Covid-19

It is just possible that in the wake of Covid-19, we see a more egalitarian reset with a renewed social contract that recognises the contribution made by low paid health, social care, retail and delivery workers, and that seeks to rebalance the economy in favour of green growth.



Ben Page

Chief Executive, Ipsos MORI

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The most marked shift of the last decade has been cuts in public spending – followed by a world turned upside down by Covid-19. The percentage worried that the government would do too little to help people in future rose from 50% in 2010 to 70% in 2019. Even before the Covid-19 crisis, the public were ready to see much more state intervention and public spending. By 2019 most of the public said they favoured increases in public spending, even if it meant their personal taxes would rise – and then of course, in a way no one expected after the Conservative victory of December 2019 – public spending rose to historic levels, with deficits projected to be at wartime levels.

Concern has been greatest about the NHS – by 2019 50% expected it to deteriorate in future, despite the government having announced a £20 billion cash injection. Perceptions of actual services were more mixed however; the British Social Attitudes study of 2019 showed rising satisfaction with NHS services. As it scrambled to get ready for Covid-19, we saw public confidence in it to deliver rise from 62% in March 2020 to 82% by late April – the NHS remained the closest thing the UK has to religion.

As we go to press it looks likely that the NHS will continue to do (relatively) better in spending terms than local government, which is already finding its local income much reduced and demands for spending on social care and housing much increased. With circa 50% cuts to the central government grant over the decade, local government has been deeply, deeply squeezed and even before the latest crisis, satisfaction with local authorities fell from around 72% in 2012 down to 63% in 2019 as Council Tax rose and spending on anything other than social care was cut. There is no sign of a post-Covid-19 reset that might involve any fiscal devolution to local government, and evidence from previous crises is that central government tends to become even more controlling in the situation we now find ourselves in.

Evidence from previous crises is that central government tends to become even more controlling in the situation we now find ourselves in

However, as before the Referendum, local government remains far more trusted and better regarded than Whitehall

Westminster politics came under sustained pressure after the Brexit vote in 2016. The Referendum vote was all about “taking back control” from London, from the elites, from Westminster itself. By 2019 the proportion saying our system of government needs a “great deal of improvement” had doubled since 2003. Trust in politicians fell to pretty much the lowest level since 1983.

There are some signs that the 2019 election at least pacified Leave voters, and of course during the Covid-19 crisis, Britain, as in most Western democracies, saw a “rally round the flag” moment. Satisfaction with the government and the Prime Minister rose to levels similar to the early Blair years, or Mrs Thatcher in the Falklands War – despite 66% also feeling the government had reacted too slowly at the start of the pandemic.

However, as before the Referendum, local government remains far more trusted and better regarded than Whitehall. When we asked recently who has the public’s best interests at heart for The Hansard Society, 44% say local government does, compared to only 33% for the government, and only 29% for political parties.

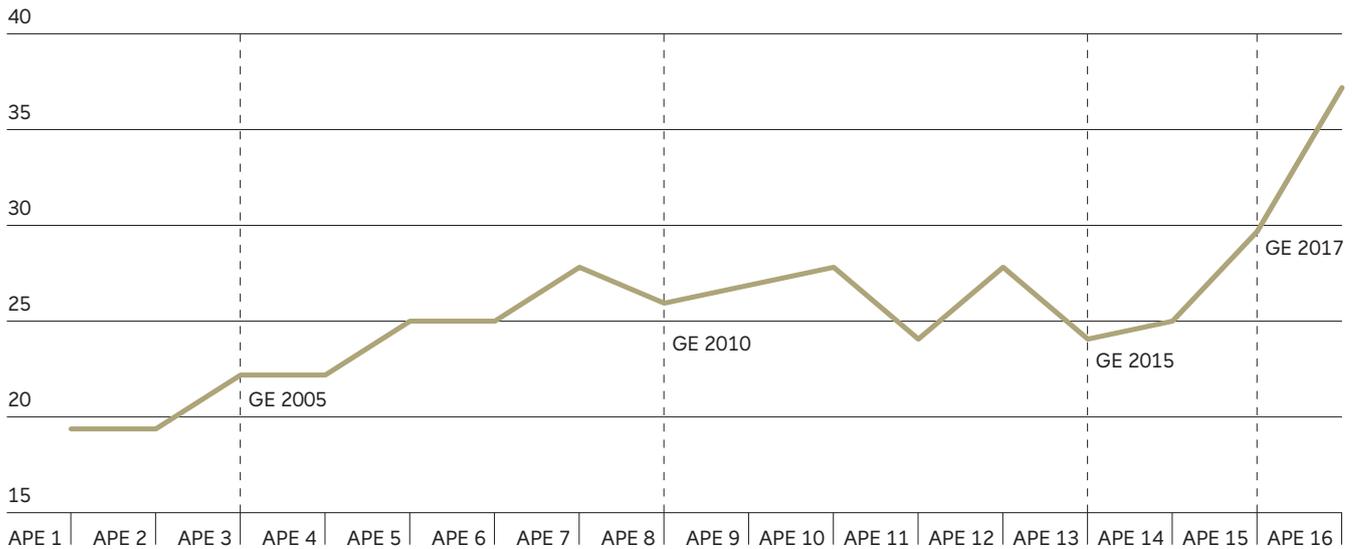
Taking back control

So, what about more change to really “take back control”? One of our last big constitutional changes, the introduction of devolved administrations in Wales and Scotland, has been a qualified success in terms of its impact on public trust, with the devolved institutions well trusted by the public, ahead of the UK government’s ratings.

Can we see support for similar changes in England? There is relatively little sign in the dozens of different surveys that have examined different aspects of localism in Britain that older voters – who predominantly voted for taking back control in the Referendum – also favour taking back real local control from Whitehall government if it means significant institutional change, or local tax raising powers.

The percentage saying that the system of government needs a great deal of improvement is much higher than it has ever been at nearly two in five

% saying needs a great deal of improvement



While in Britain 57% say decisions about public services are better if made locally, only 40% say they support giving local councils more powers at the expense of central government, and 20% disagree. Re-organising local government is not what we social scientists call a “salient” issue. Some 52% agree that they do not care who makes decisions about local services if they are delivered well.

After a decade of largely top down “deals” from central government to agglomerations of authorities and no fiscal devolution of any meaningful kind, English localism is half-hearted. The public are not particularly keen on giving local councils more “real power”. Despite the dissatisfaction with the current political system in England, recent surveys show only 41% support an English parliament to match Welsh and Scottish ones, and there is limited support for regional government to run services like the NHS.

Ipsos MORI polling for the Joseph Rowntree Reform Trust found that 85% thought that local communities should have more say over decisions that affect them, and only 4% disagreed, but on taxation only 41% in the same survey agreed that “more of the money spent by local councils should be raised locally”, and some 30% disagreed.

When you start to talk about real tax and spend powers, support for localism dries up. A majority in Britain (55%) are opposed to giving the local administrations in London, Birmingham or Manchester the same tax raising powers – limited though they are – that the Scottish government has. The irony is that large cuts to the central government grant has increased local government dependence on taxes raised locally.

Ultimately, localism and the detail of local public service reform does not excite people. Local government, despite being more benign than central government, and more likely to be “on your side”, is not ultimately any more trusted over tax. There is support for hypothecated tax rises for the NHS, with 63% saying they would personally pay more tax for it, although of course Labour’s agenda of tax rises and nationalisations was summarily rejected in December 2019.

How does this fit with the public repeatedly saying they favour tax rises to pay for higher spending? It simply comes down to perceived competence. They did not think Jeremy Corbyn’s Labour Party was either fit to govern or competent. This is a familiar story. Back in 1997 as many people believed Tony Blair would put up taxes as had thought the same of Neil Kinnock in 1992 – but of course Blair won by a landslide and Kinnock lost.

As we enter the 2020s the public continue to profess an interest in more local control, and higher spending. They are not ideological about the size of the state, but do want competence in delivery.

Boris Johnson won by being seen as a better leader than Corbyn, being clearer on Brexit – and also promising investment in policing, education and the NHS. Localism did not feature. Yet as we enter the 2020s the public continue to profess an interest in more local control, and higher spending. They are not ideological about the size of the state, but do want competence in delivery.

Around 10% of the public tend to believe the state should run public services and another 25% that the private sector is generally more efficient. The majority are pragmatic. They are not enthusiastic privatisers but when privatisations broadly “work” they will tolerate them. Most are not arguing for British Airways, British Steel, or BP, for example, to be re-nationalised, although state ownership of the railways does have considerable support.

For proponents of building services around people and localities, the last decade has seen creativity in many local authorities, with places like Wigan national exemplars of ways of working across silos. Overall, however, cutting budgets, any budget, to balance shrunken finances created by removal of the central government grant has been the order of the day – rather than rethinking delivery and involving communities.

The proportion who feel their council does not act on the concerns of residents rose from 33% in 2012 to 40% in 2020. This is not surprising as performing consultation effectively, that reaches large numbers of people, rather than the already engaged takes time and money. The Conservative government made efforts to restrict local authority communications spend over this period and the proportion who felt their authority kept them informed about the services it provides fell from 66% to 60% over the same period.

So at the end of the decade of austerity, local government was struggling to maintain core services, and while some authorities were poised to benefit from the localisation of business rates, overall, those serving more deprived communities had seen some of the biggest cuts.

Time for an egalitarian reset?

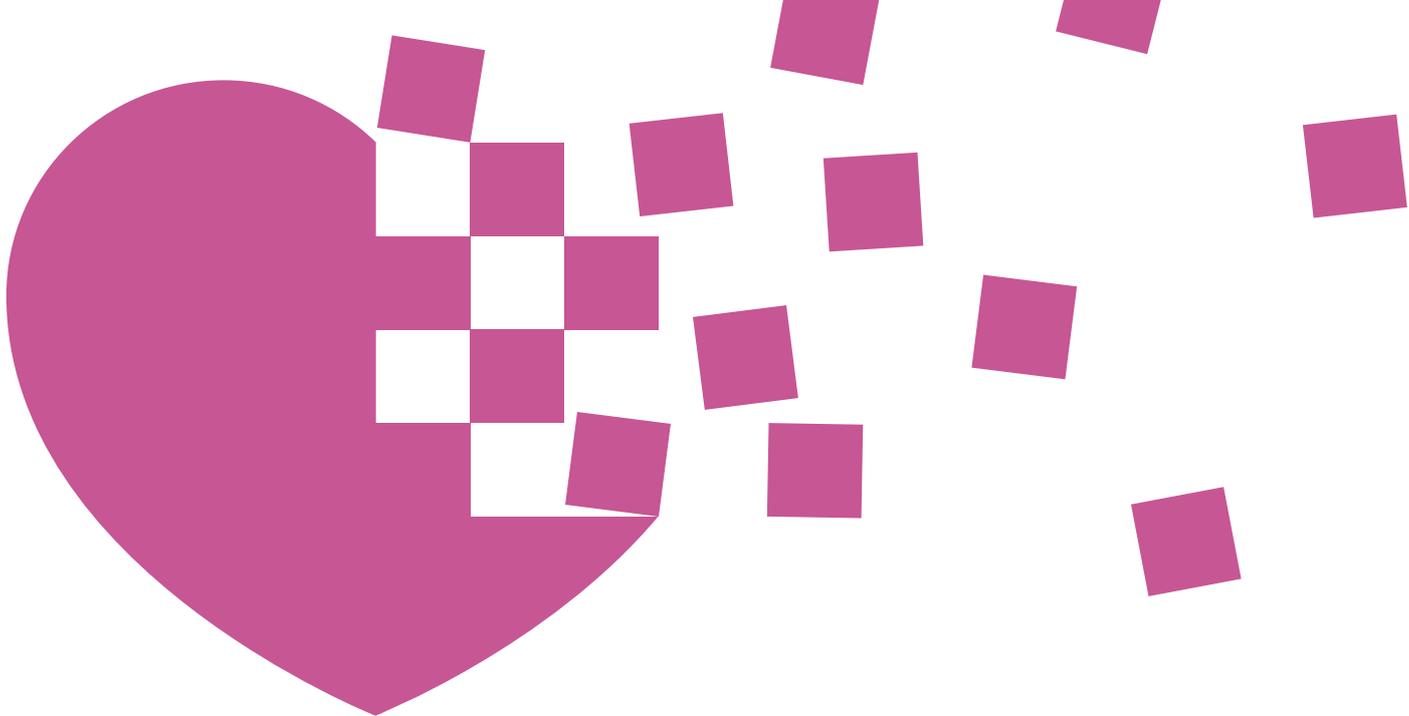
Covid-19 poses both a huge challenge and a huge opportunity. Most people in Britain wanted to see rises in public spending before Covid-19. Most thought that there was too much inequality, and 80% agreed we needed to act on climate change, fast – even if they did not necessarily agree on how, or want to make big sacrifices unless they knew they were fair.

It is just possible, with a Conservative government that has been “lent” votes by previously Labour voters, and representing a more diverse range of constituencies than before, coupled with the need to stimulate economic activity in the face of potentially massive unemployment, plus a widespread desire not to return to “normal”, that we see a more egalitarian reset.

We could see a desire to properly fund local public services that have been under immense pressure, and a renewed social contract that recognises the contribution made by low paid health, social care, retail and delivery workers, seeks to rebalance the economy in favour of green growth, and permanently reduces congestion and pollution to levels of the kind we currently enjoy in lockdown.

A serious stock taking and reflection, rather than a dash for growth at any cost, must be worthwhile – if only because of the scale of the sacrifices in blood, sweat and tears under lockdown in 2020

The digital acceleration of lockdown has shown that in much of the UK’s service industries workers do not need an office to be productive, or to spend one to two hours per day commuting. The resulting quality of life and productivity improvement, and decentralisation of growth could be part of remaking our economy outside the over-heated South East, in precisely the sorts of places that felt “left behind” in 2016. A serious stock taking and reflection, rather than a dash for growth at any cost, must be worthwhile – if only because of the scale of the sacrifices in blood, sweat and tears under lockdown in 2020. ●



Online or in-line?

Ten years on

Public services can be transformed by digital technology – none more so than healthcare. There is global momentum for the adoption of new technologies in this area, but implementation remains slow due to sheer complexity and cultural barriers.



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In March 2010, the 2020 Public Services Trust published *Online or In-Line: the future of ICT in public services* as part of the 2020 Public Services Commission. This concluded:

“Current and emerging technologies provide a lever for delivering both public service reform and enhancing transparency and democratic accountability’.

It called for:

“Much greater use of online services; more extensive use of secure identifiable data; wider sharing of anonymous data; a new deal with the public around consent; and new duties on public services and public bodies to release performance and other data as a matter of course for public scrutiny.”

Ten years later, the reality of government as a platform – empowering citizens to take more control with greater transparency and with more person-centred services – is closer, but not close enough.

There have been extraordinary advances in technology over the last decade and many historic milestones – in 2017, Britain became the first country in the world to sequence 100,000 whole human genomes, for example, just as learning algorithms that can read digital images started to transform medical diagnosis in routine clinical practice.

It is certainly true that in contemporary public service delivery far greater use is made of digital services than a decade ago – just consider the situation in healthcare (which will be my focus in this article): repeat prescriptions can be ordered online in the NHS in England, people can book appointments with their GPs and access key parts of their clinical record online, citizens have real transparency about the outcomes of clinical services – even of individual surgeons – and can provide feedback. Important progress has been made in linking data in English healthcare so that vital research to support more effective person-centred care and predictive risk analysis can occur.

But the underlying digital maturity of the NHS remains a real concern (and one of the top priorities of the current and former Conservative health secretaries): fax machines remain ubiquitous, information sharing between providers is persistently paper-based, and failures in basic supply chain and identity management (of a sort that have long ago been eradicated by the supermarkets) mean that life-threatening adverse events, such as wrong-site surgery (for example, when the wrong limb is amputated), still occur.

In 2014, the health and social care system in England agreed its first ever digital health strategy and this has been the basis for concerted action since then – as well as significant additional funding to improve basic digital maturity. But implementation has been slower than it should have been.

This is not about an absence of political leadership: on the contrary, ministers have not wavered in their commitment to digital empowerment of public services – a theme that was taking shape around 2010 (and may be the lasting legacy of the Cameron years); but implementation has been ground down by sheer complexity and cultural challenge.

There is still much work to do to build an evidence base that clearly articulates the benefits of digital transformation in government – particularly when it demands changes to the workflow of public services which have earned deep social licence. That image of the GP looking at the computer screen while taking details from her patient does not easily encourage clinical enthusiasm for the notion that technology can improve the doctor-patient relationship and its bond of confidentiality and trust.

The key characteristics of the modern public services we want – that they offer us transparency of their outcomes, that they do not put us in harm's way, that they empower our participation in society, that they respect and serve us as individuals – have not yet been delivered. But I am more confident than I was in 2010 that they will be and quickly – governments have much more experience in implementation (and how not to do it) than they did, and they are learning to share those insights.

In healthcare, there is a new dynamic in the public policy environment: a sense of collective purpose shared between governments around the world to put the digital foundations in place so that national – and international – services can guarantee the best outcomes on the most financially sustainable footing.

In 2018, the Global Digital Health Partnership was established – now with more than 30 participating countries (including the UK) and the World Health Organisation – and already this is empowering detailed information exchange on the best approaches to digital implementation.

In the US, there are new laws proposed that will make active information blocking between healthcare systems an offence; in the Netherlands, a new law is proposed which will make electronic records mandatory for all healthcare providers; in Australia, a new online personal health record which citizens control – My Health Record – has been launched providing 24/7 access to key clinical information for 90% of the population wherever they are treated. The global momentum to accelerate the adoption of digital health services is real.

The Coronavirus pandemic has underscored the urgency of improving digital record keeping, real time information sharing and the adoption of virtual services to keep people safe

Britain, comparatively, is among the most advanced digital nations on Earth and its public services have learned many lessons about best practice in the implementation of complex, dynamic technologies – bluntly, government has more professional capability than it did a decade ago and we should expect the pace of digital adoption to accelerate over the next five years.

It is, of course, critical that we rapidly build digital maturity in our public services. The Coronavirus pandemic has underscored the urgency of improving digital record keeping, real time information sharing and the adoption of virtual services to keep people safe. But, aside from the circumstances of this emergency, if we do not improve digital adoption, we will not realise the benefits of emerging technologies – like genomics and machine learning – which cannot be delivered with paper patient records and fax machines. Citizen confidence in tax-funded public services comes with the reasonable expectation that they will, with appropriate speed and due diligence, take full advantage of innovations in technology which can support longer, healthier and more productive lives. ●

Since 2010 it has become clear that public policy must do much more to address the opportunities and challenges of an ageing society and to address the significant health inequalities. More robust preventive action is required to meet this challenge, and in the process, help limit the future growth of healthcare costs.

An ageing society



How has public policy responded?



Geoffrey Filkin

Former Chair of Centre for Ageing Better

🐦 @Geoff_Filkin

The 2020 Public Services Commission briefly discussed how demographic changes might affect public services. We did not have time to explore this, but it stimulated me to do so. I lobbied in the Lords to set up a Select Committee to consider the impact of an ageing society on public services, was appointed its Chair, and our report, *Ready for Ageing?*, 2013, showing we were “woefully unprepared” made a significant impact in the media and in Whitehall. I was then appointed Chair of the new Centre for Ageing Better and set it up, securing its £50 million endowment.

In December 2018, after five years, I stood down as Chair and was then free to be more active. Since then I have worked on a key issue of an ageing society through the APPG on Longevity, that many people get prematurely ill with avoidable illnesses and so risk degrading their longer lives. Our report, *The Health of the Nation: A strategy for healthier longer lives* was published in February 2020 and we are now promoting its recommendations. So, personally and in policy I have been ageing, stimulated by those early discussions from the 2020 PSC!

There are two fundamental issues for public policy and public services from an ageing society:

- 1 the increase in demand for services from a larger population of older people and the fiscal challenges from this; and
- 2 the opportunities available to individuals and society due to our longer lives and how to make it possible for everyone to benefit from them.

We have very good advanced notice of how many older people there will be in the future in our society, they are alive already; so, there is no excuse for not assessing the implications and planning for them

The demand and fiscal challenge

The dominant policy discourse about an ageing society is that a larger older population will increase the demand and costs of public services – state pensions, health and social care. This is true as over the period 2010–30 there will be 51% more people aged 65+ and 101% more people aged 85 and over.

We have very good advanced notice of how many older people there will be in the future in our society, they are alive already; so, there is no excuse for not assessing the implications and planning for them. DWP recognised the large increase there would be in the costs of state pensions in the future from a larger population of older people and from longer lives. They acted with foresight via the *Adair Turner Review* to identify the issue and build a cross-party consensus for change.

This led to the correct decision to raise the state pension age in the future. DWP also recognised that many people needed to save more for a longer life and successfully introduced auto-enrolment, which has meant more people are now starting to build a personal pension. DWP also recognised the need for people to be able to stay in the labour market to save for a longer life. They developed their *Fuller Working Lives* policy to promote this, but far too many people still drop out of work in their 50s from ill health or age prejudice.

If DWP have been reasonably successful in facing up to the demand and funding issues of an ageing society the same is not true of the Department of Health. Our *Ready for Ageing* report and a later Lords Select Committee were shocked to discover that the Department of Health did not undertake demand projections for health. Yet there are impressive academic models that assess the increases in demand for health and care from an increasing older population, see Carol Jagger’s PACSIM model. These project that in 2035 there will be 16 million cases of dementia, arthritis, type 2 diabetes and cancers in people aged 65 and over – twice as many as in 2015.

Yet the government and the Department of Health have not developed any plan to address these inevitable increases. There has been nothing like the *Adair Turner Report* to set out the trends, needs, and choices required by society and government for the substantially increased demand and cost for health and social care driven, in part, by a growing older population. Instead, we have had regular short-term funding crises for the NHS.

Social care policy and planning has been even worse than health. There has been a failure across all governments and parties to develop a stable funding basis for social care. Instead, we have had decades of delay plus large cuts in central government support for social care – while demand has been rising and will rise even more over the next decade. Part of the funding solution to this must be to use some of the windfall capital gains from the inflated values of homes. Yet political parties are still ducking this, not making the case, not explaining that the alternatives are worse and are unfair – less social care for poor people or more taxes for younger people.

So, despite the predictability of more demand and more cost from an ageing society, governments have failed to make the case for the increased funding and taxes that a larger population of older people will require – and the benefits of doing so.

The opportunities of longer lives

Living ten years longer than their parents' generation is one of our greatest successes. We know what makes for a happier longer life – enough income, health and social relationships. Many people already benefit greatly from this extra time, but there is a serious social gradient in wellbeing in later life. This is the key public policy challenge. Many well-off people live wonderful longer lives; many poor people get ill shockingly early and face poverty and social isolation. So how can government respond to enable all in our society to benefit from a longer life?

Government has two fundamental roles to play, first to help people avoid having a serious fall in their living standards as they live longer – by adequate savings and pensions, as discussed earlier. Second, the government needs to ensure that people can live for as long as possible in reasonable health and avoid premature ill-health. There is a shocking problem – many people get prematurely ill with illnesses that could have been avoided. The richest live on average 20 years longer in good health than the poorest.¹ Preventable poor health is worst for the poorest people and places – women in these places get their first serious long-term illness on average when they are only 47 years old and live in ill health for 20 years longer than the rich.

16m

By 2035 it is projected there will be 16 million cases of dementia, arthritis, type 2 diabetes and cancers in people aged 65 and over

There is a shocking problem – many people get prematurely ill with illnesses that could have been avoided. The richest live on average 20 years longer in good health than the poorest.

More hospitals will not solve this; they only delay the consequences of poor health. Yet policy and practice still focus overwhelmingly on illness mitigation, not prevention. The NHS spends less than 5% of its budget to prevent or delay diseases.

So, it is excellent that the Conservative government set a great goal, “for everyone to have five extra years of healthy, independent life by 2035 and to narrow the gap between the richest and the poorest.” They set this goal nearly two years ago but unfortunately we have not seen a strategy to make it happen.

To address this void, we worked for nine months to develop a strategy to set out what needs to be done to make this happen. We published this report, *The Health of the Nation: A Strategy for Healthier Longer Lives* and it sets out why this is important, why it is possible and where to start. As the Chief Medical Officer has advised, we could prevent up to 75% of new cases of heart disease, stroke and type 2 diabetes, 40% of cancer incidence and reduce dementia risks if we cut smoking, unhealthy diet, harmful consumption of alcohol and insufficient physical activity.

The global coronavirus pandemic is now transforming our societies, our economies and our politics. There is both an age and a social gradient in who dies from the disease. Older people are more likely to die as are people with prior serious health conditions. As the poorest in the UK have a much higher incidence of serious premature long-term illnesses proportionately more of them will be vulnerable and will die. So, as well as seeking to immunize and treat we also need to do much more to avoid premature preventable illnesses.

Strong persistent action across society led by central government to increase how long we can live in good health, will generate great benefits for many people. It will also help manage the increasing demand for health and social care. The goal, to increase healthy life expectancy by five years and reduce inequalities, is in the Conservative Manifesto, so we can now hope to see action by the government. ●

¹ See *The Health of the Nation: A Strategy for Healthier Longer Lives*. APPG for Longevity February 2020 for fuller data and sources.



Appendix

Calculating the social productivity index and community spending

This appendix presents the methodology and data sources for calculating the figures and charts shown in the fact sheet ‘Tracing social productivity during the austerity years’ (pages 16–19).

Social productivity index

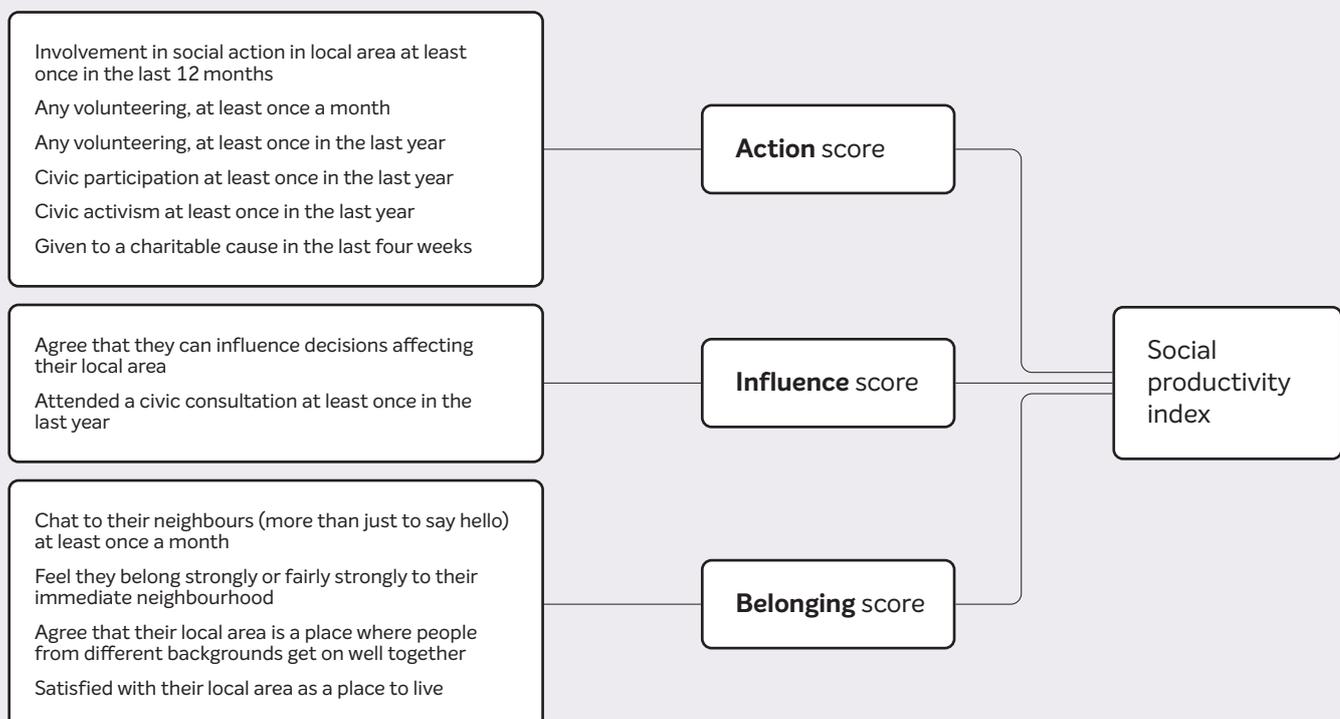
Data

Data to create the Social Productivity Index comes from the *Community Life Survey*, and specifically the 2018–19 release.¹

Constructing the index

The Social Productivity Index is a composite indicator using 12 variables to measure the following themes:

- 1 Action** such as civic/social action and volunteering;
- 2 Influence** over local decisions; and
- 3 Belonging** to the local community.



¹ Available at: <https://www.gov.uk/government/statistics/community-life-survey-2018-19>

In order to calculate each ‘score’, first the results for each survey question are compared with the result in 2013/14 for England. As each question measures a percentage in a given region-year, this comparison can be made. The difference between results in a given region-year and England are subtracted from 100, to give a score for that region-year. For example: 70% of people in England in 2013/14 said they volunteer once a year. In the West Midlands in 2018/19, only 57% of people said they volunteer once a year. So for that survey question in 2018/19, the West Midlands is coded as 87: the difference between England and the West Midlands is 13, this is subtracted from 100 to get 87. These results are then averaged to produce each score (Action, Influence and Belonging).

As an example of how this works, see below:

Calculating the Influence score for the North East in 2016/17

- The Influence score is made up of two questions:
 - a Do you agree that you can influence decisions affecting your local area?
 - b Have you attended a civic consultation at least once in the last year?
- The percentage of people answering agree or strongly agree to a) was 19%, and the percentage answering yes to b) was 14%.
- This contrasts with 26% who answered agree or strongly agree to a) across all of England in 2013/14, and 19% who answered yes to b) in 2013/14. So the North East in 2016/17 falls 7% short of England in 2013/14 for a), and 5% short for b).
- These numbers are subtracted from 100 to produce results of 93 for a), and 95 for b).
- Finally, the average of these two numbers is taken to produce the Influence score. So, the North East’s Influence score for 2016/17 is 94.

The average of these three scores (for **Action**, **Influence** and **Belonging**) makes up the overall Social Productivity Index score. In practice, this means that the survey questions in ‘Influence’ are weighted more heavily than those in ‘Belonging’, which, in turn, are weighted more heavily than those in ‘Action’. The three themes are therefore weighted equally but the individual indicators (survey questions) are not.

Community spending

Data

The data for spending on libraries, open spaces, recreation and sport, and total expenditure are taken from MHCLG *Local authority revenue expenditure and financing*.² The datasets used are the annual ‘Local authority revenue expenditure and financing England: budget individual local authority data’. Budget data is used over final outturn data because the final outturn data does not break spending down to such specific areas. The columns used are as follows:

MHCLG column	In our analysis
502	Recreation and sport
503	Open spaces
505	Library service
849	Total expenditure

The data for Sure Start and youth service spending are taken from DfE *Local authority and school finance*.³ The table used is ‘Expenditure statistics for all local authority children’s and young people’s services: local authority and region’ (2018–19 dataset). The columns used are as follows:

DfE column	In our analysis
Sure Start Children’s Centres and early years	Sure Start
Services for young people	Youth services

Methodology

We created a dataset by combining the relevant columns from the original data sources from 2010/11 to 2018/19, organised by local authority. All years are in one dataset, with each variable defined as year_spending_area, e.g., 2018_19_sure_start. We then deflated historic spending using GDP deflator values from the ONS,⁴ with 2018/19 set as the base year. Finally, we calculated the spending per head for each local authority using ONS population statistics for each year.⁵ The population values used are those which correspond to midway through the first year of the period in question. For instance, for the 2018/19 data, mid-2018 population statistics are used. This is because the spending data covers the 2018/19 financial year, so mid-2019 population statistics fall outside the year period (mid-2019 refers to late June 2019).

2 Available at: <https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>

3 Available at: <https://www.gov.uk/government/collections/statistics-local-authority-school-finance-data>

4 ONS GDP deflator values available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/l8gg/qna>

5 ONS population data available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>



About the Centre for Progressive Policy

The Centre for Progressive Policy is a think tank committed to making inclusive economic growth a reality. By working with national, local and international partners, our aim is to devise effective, pragmatic policy solutions to drive productivity and shared prosperity in the UK.

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Original reports and documentation from the 2020 Commission can be found here: <http://www.2020publicservicestrust.org/page.asp-p=3131.html>

