

06

Still Bold, Brave and Better? The transformation challenge five years on

Think piece from the 2019 Public service: state of transformation report

As the State of Transformation conference is quickly becoming an important date in the calendar, we thought it was time to reflect on progress made and the long-term challenges we face.

A high-water mark for public service reform?

It's almost five years since the publication of the Transformation Challenge Panel's report 'Bolder, Braver, Better: why we need local deals to save public services'¹ in November 2014. Following Total Place² and Whole Place Community Budgets,³ this may have been a high-water mark of central government's interest in public service reform informed by the challenges as they present in different places.

The Panel, commissioned by Danny Alexander, Treasury Secretary, and Eric Pickles, Communities Secretary, included leaders from the public, private and social sectors spanning local government, health, criminal justice, local growth, innovation, and politics. It was supported by a small civil service team from the Public Service Transformation

People are the focus of delivery, regardless of the organisations providing or commissioning – in particular, outcomes for people take priority over output or process targets and measures.

Network. During their eight-month review, the Panel received evidence from over 150 organisations, spoke with 518 people, attended 41 meetings including stakeholder roundtables, and undertook 15 visits to gather evidence in local places, along with several ministerial meetings.

The Panel's perspectives on transformation should be familiar. In our view, if implemented effectively, they still offer a radical approach to service provision:

- people are the focus of delivery, regardless of the organisations providing or commissioning – in particular, outcomes for people take priority over output or process targets and measures;
- frequent users of public services are encouraged to make better choices, mitigate their own costs, and contribute to their communities, and services are designed to encourage and facilitate responsible behaviour;
- multi-agency provision of services, virtual and physical co-location are the norm, and service silos and duplication are eliminated;
- digital technologies, and insight arising from shared data and user needs, are embedded in the policy, design and delivery of services to improve customer experience; and
- collaborative leadership, based on local trust relationships, is fundamental to unlocking the right mix of the above, appropriate to the place and to the challenge being addressed

At the heart of the Panel's recommendations to government was a recognition that people with multiple and complex needs (multiple disadvantage) fall through the systems cracks or are passed from pillar to post.

Transformative system change takes time.

Panel member	Role in 2014	Current position
Sir Derek Myers Panel Co-Chair	Chair of Trustees at Shelter	Chair of Public Health England
Pat Ritchie Panel Co-Chair	CEO Newcastle City Council	Still in role
Philip Colligan	Deputy CEO of Nesta	CEO of Raspberry Pi Foundation
Jonathan Flowers	Market Director at Capita /Director of Veredus	Portfolio Non-Executive Director, Advisor, Consultant including Chair of Improvement and Development Board for Local Councils
Mark Lloyd	CEO of Cambridgeshire County Council	CEO of Local Government Association
Tony Lloyd	Police and Crime Commissioner for Greater Manchester	Shadow Secretary of State for Northern Ireland
Dr Ann Limb	Chair of the South East Midlands Local Enterprise Partnership	Chair of London to Cambridge Innovation Corridor and philanthropist
Nick Markham	Non-Executive Director DCLG	Lead Non-Executive Director for MHCLG, also Chair, Inview Technology
Paul Scriven	Managing Partner Scriven Consulting	Baron Scriven of Hunters Bar in the City of Sheffield, Liberal Democrat life peer, House of Lords
Professor John Young	National Clinical Director for the NHS	Retired

What happened to the recommendations?

The panel called for more local collaboration, and greater local accountability, while recognising that this shift in delivery would require flexible, patient funding to invest in the upfront costs of transformation. They understood that transformative system change takes time. That social outcomes and fiscal benefits are longer term. The £5 billion transformation fund they recommended, made up of grant and repayable capital, didn't fit the Chancellor's austere agenda in 2015. However, the mantle for

Most of all we need resilience and patience. Change takes time not least because at its heart, it's about trust between people, about growing capability, confidence, and the curiosity to be open to new partnerships and new ways of working.

local reform was instead taken on by the Cabinet Office/DCMS £80 million Life Chances Fund.⁴ That has brought commissioning for outcomes to the fore but constrained the funding model to social impact bonds, which may not always be best suited to drive systemic change.

At the heart of the Panel's recommendations to government was a recognition that people with multiple and complex needs (multiple disadvantage) fall through the systems cracks or are passed from pillar to post. This is costly to taxpayers and increases demand on stretched services, but doesn't address underlying needs and is certainly not focused on outcomes. We hear that there may be tentative plans afoot to better understand the underlying needs of that group, and to consider a funded programme, subject to the outcome of the spending review.

The Panel's other big call for action was around digital, data, and designing user needs into services. This is one area where there has been movement. There's not a week goes by when one of us isn't invited to a 'show and tell' to reveal the insights from user research into a new digital tool or way of working. Whether this is a wider grassroots trend, or a result of public policy, is a different matter. Government departments including MHCLG are now far more aware of the agile, digital way of working and have set about 'fixing the plumbing'. Though with only £7 million to distribute, the Local Digital Innovation Fund⁵ will in future need a much bigger wrench to help local government into 21st century practice.

With only £7 million to distribute, the Local Digital Innovation Fund will in future need a much bigger wrench to help local government into 21st century practice.

Fortunately, the third sector and philanthropists are also stepping in to develop and promote digital use cases, common standards, and data models that can work in different places. A Local Data Foundation (official name to be confirmed) may be established to host and share these insights and what works on an open source basis. Watch this space.

There has been some progress on the Panel's recommendations to enable collaborative leadership. While the end of 2015 deadline slipped, the government did set up the Public Services Leadership Taskforce⁶ in 2017, which in 2018 reiterated the Panel's call for a national academy to enable greater cross-sector collaboration. But, five years on there has been little action. We note that many of the professional leadership opportunities currently available to public sector leaders remain

concentrated in professional or sector silos, although collaborative leadership is increasingly discussed.

Oliver Dowden, Minister for Implementation, has many of the responsibilities the Panel wanted to see in a 'Cabinet Minister responsible for better local outcomes and taxpayer value'. But he lacks the clout to ensure policy and funding from Whitehall helps rather than hinders transformation.

While the New Local Government Network and other commentators have plotted the rise of commissioning with the community,⁷ it is still rare for councils, Wigan aside, to invite local residents into a substantive discussion about what they really want and need and what they should expect to contribute in return.

And finally, another current recommendation was to establish a What Works Centre for Service Transformation to gather and evaluate evidence of actions and services that deliver better outcomes. While this has not happened, we think it is fair

There remain signs of progress from the bottom up, as some people have taken the transformation agenda into their own hands.

It is still rare for councils, Wigan aside, to invite local residents into a substantive discussion about what they really want and need and what they should expect to contribute in return.

to say that the Public Service Transformation Academy⁸ – a not-for-profit public-private-third sector partnership – has taken responsibility for what it can, through its website, events, publications, local academies and national conferences.

We also welcome the initial steps taken by the Blavatnik School's Government Outcomes Lab, whose recent report 'Are we rallying together? Collaboration and Public Service Reform'⁹ reiterated, with more current examples, many of the messages of the Challenge Panel.

Though the Cameron administration warmly accepted the Panel's report and set out a detailed response there has been little progress since matters turned to the UK EU membership referendum on 26 June 2016, and the subsequent aftermath. Regardless of where you stand on those issues, we can all

agree that the local public service transformation agenda has been largely left to smoulder on the back burner. Against a balanced scorecard the government might get three out of ten.

What's new?

There remain signs of progress from the bottom up, as some people have taken the transformation agenda into their own hands. Here are a few examples we have come across.

In Essex, the county council has taken the radical step of setting up a charity to commission its £9.5 million drug and alcohol recovery services. While many have outsourced provision, we are not aware of other councils that have so boldly put commissioning in the hands of those who use services. The Essex Recovery Foundation has a board member who embodies the recovery journey, as well as an advisory body made up entirely of people in recovery. The ambition is impeccable, to revolutionise recovery. The council has recognised that it struggles to meet individuals needs as they present, and it has had the confidence to put the needs of the people it serves at the heart of a new commissioning model. Brave, certainly – and Better? We'll report back on the latter next year, when it should be fully up and running.

Following the disappointment of losing out on a bid to the National Lottery Community Fund, Plymouth was determined to find new ways of working to meet rising and more complex demand for services. That prompted the establishment of the £483 million integrated fund, as well as the creation of Livewell South West, an integrated community health and adult social care provider. The overarching

objective is to improve population health and wellbeing across the area and reduce inequality. Plymouth have made this progress 'under the radar'. By pooling resources they now have a 'One System One Budget'¹⁰ approach, with integrated commissioning, and a shortlist of system-wide outcomes against which to measure their progress. These reforms are very much in the spirit and substance of what the Transformation Panel championed. Numerous positive spins-offs have arisen from this collaboration, including for example,

Of other councils that have so boldly put commissioning in the hands of those who use services. The Essex Recovery Foundation has a board member who embodies the recovery journey, as well as an advisory body made up entirely of people in recovery.

opening up local public data to innovators to develop digital products and services that can have social impact.¹¹

Creating a space within the very large Local Enterprise Partnership area in their part of the world, a number of organisations including local councils, private companies, and universities and colleges formed the London to Cambridge (via Stevenage and Stansted) Innovation Corridor.¹² This alliance of partner organisations, who share costs, is a model of relevant local determination combined, cunningly, with an All-Party Parliamentary Group dedicated to press the regional economic case in Parliament. Importantly, it has a very strong focus on skills and productivity. When we wrote the original report, the skills agenda was less pressing, but without doubt it is now a critical part of the local public service mix. This 'coalition of the willing' demonstrates that world-class sci-tech innovation can collaborate effectively with the local public sector.

So what, and what next?

In principle, there is scope for the NHS Long Term Plan, which has embraced the idea of more locally integrated care systems, to be an engine for local public service transformation. It remains to be seen whether the 'integration' agenda can surmount the challenges within the health system and have any capacity and energy left over to engage with the wider social determinants of health which multiple agencies within each locality can help to address. A truly place-based approach to this will need to embrace local determination and local choices, which will require some form of

democratic input for legitimacy. This will be a tremendous shock to the NHS system but would truly be Bold, Brave and Better.

It's sometimes easier to blame inaction on local partners or on blockers that we think only government can remove. What the Panel illustrated, and what still holds true, is that it's for each place to choose the right path for itself and just get on with it – accepting and offering no excuses, as Plymouth, Wigan and many others can attest. However, we do accept that this would be a bit easier if:

- **Central government showed a bit more interest and leadership, and provided a means for places to engage proactively with Whitehall.** That might, we hope, include a coherent and strategic set of incentives which leave places accountable for what they need to achieve locally and how they go about it. Too often, responses to issues are piecemeal; separate pots of cash come from different departments often for the same issue;¹³ or they can bypass local communities, for example the £1.6 billion Stronger Towns Fund which is predominantly in the hands of Local Enterprise Partnerships.
- **The spending review takes the opportunity to develop a coherent long-term plan for public services.** As public sector finances are back in the black – in January 2019, the country was in surplus by £14.9 billion, the largest in January since monthly records began in 1993 – it's time to consider whether austerity has incubated social costs we may be paying off for years to come and how we are going to address them: for example, school readiness, knife crime, the skills deficit, social isolation,

the disability employment gap, unmet care needs of the elderly, rising demand for healthcare, intergenerational inequity, and inequality of opportunity between towns, rural areas, and cities.

- **We really embraced the positive role that third and private sector partners and small authorities can play in tackling complex social challenges.** This was probably one of the biggest gaps in the Panel's thinking. If the pattern of local public service provision seems to differ from place to place, then this is even more true of community-based and private sector footprints. Strong local leaders are woven in to the network of all the players in their place, are able to create a relevant local narrative and draw in other assets and resources. It is very hard to dictate national models for this from the centre. In very different ways Wigan (there's that place again), Preston ('the Preston Model'), Plymouth, Essex, the Northern Powerhouse, and the Innovation Corridor are developing nuanced approaches of that type.

Most of all we need resilience and patience. Change takes time not least because at its heart, it's about trust between people, about growing capability, confidence, and the curiosity to be open to new partnerships and new ways of working. It's about local leadership, with the centre in a critical support role, relentlessly focused on making local leadership and implementation easier to do.

This article presents the personal views of Jonathan Flowers and Robert Pollock and does not seek to represent the views of other former members of the Transformation Challenge Panel.

Jonathan Flowers

Following a successful career in NatWest incorporating analytics, consultancy, strategy, innovation and commercial development, Jonathan Flowers moved into local government as a London Borough Director and County Council Deputy Chief. A range of advisory roles in Veredus and Capita followed and he now has a portfolio of non-executive, advisory and consultancy roles, including Chair of the Improvement and Development Board for Local Councils and roles with mySociety, FutureGov and the Connected Places Catapult. Jonathan is a former member of the Transformation Challenge Panel.

Robert Pollock

Robert Pollock is a Director at not-for-profit Social Finance. He is a former Treasury official and has also held leadership positions at the United Nations, DCLG, and Westminster City Council. In 2013, he founded the Public Service Transformation Network, a cross-Whitehall unit that partnered with local government and the wider public sector to test and scale outcome-based delivery models. Robert is a Board Member of the New Local Government Network, non-executive director for the PSTA, and Go Lab Fellow of Practice.

It's for each place to choose the right path for itself and just get on with it – accepting and offering no excuses.

- 1 Public Administration and Constitutional A <https://www.publicservicetransformation.org/2015/03/bolder-braver-better-need-local-deals-save-public-services/>
- 2 https://webarchive.nationalarchives.gov.uk/20130125093102/http://www.hm-treasury.gov.uk/d/total_place_report.pdf
- 3 <https://www.nao.org.uk/press-release/cabinet-office-and-hm-treasury-integration-across-government-2/>
- 4 <https://www.gov.uk/government/publications/life-chances-fund>
- 5 <https://www.gov.uk/government/news/75-million-fund-for-councils-digital-innovation-opens>
- 6 <https://www.gov.uk/government/news/appointment-of-public-service-leadership-taskforce-chair-and-members>
- 7 www.nlgn.org.uk/public/2019/the-community-paradigm-why-public-services-need-radical-change-and-how-it-can-be-achieved/
- 8 <https://www.publicservicetransformation.org/>
- 9 <https://golab.bsg.ox.ac.uk/our-projects/about-future-state/>
- 10 <https://www.plymouth.gov.uk/sites/default/files/IntegratedCommissioningSystem.pdf>
- 11 https://apolitical.co/solution_article/small-british-city-using-data-play-days-jump-start-tech-industry/
- 12 www.innovationcorridor.uk
- 13 The Children's Commissioner report, 'Keeping Kids Safe' (www.childrenscommissioner.gov.uk/wp-content/uploads/2019/02/CCO-Gangs.pdf), notes nine separate funds that can be accessed to tackle serious youth violence.