

TIMES OF CHANGE DEMAND CHANGE OF PACE.

Next steps for Public Service Reform

Thursday 5 February 2009

It's said that politics in the information age demands, above all, definition.

Clarity about where you stand.

Hard edges so the public can see you amidst the maelstrom of today's media.

But the great trap for modern politicians is to believe that definition comes from positioning and not from purpose.

Let's be honest.

Politicians have often used reform of public services for a bit of positioning now and again.

But in this business it is purpose that counts. And that is where I want to start.

The surest route to social justice is investment in public services plus reform.

You can't have one without the other.

When companies and communities and families faced such a fast-moving story of new opportunities and new potential and new challenges and new risks unfolding around them, it would have been simply impossible to offer an increase of more than £170 billion from that in 1997 in our essential public services, without asking for reform.

Today, I want to argue that principle remains not only valid - but more vital than ever before.

Our purpose, our conviction are clear.

They come from values that are rooted in tradition - but they are coupled with our analysis of the future.

Since the Prime Minister spoke in Manchester last October about his vision for the future of our country, we

have set out in three major, cross-Whitehall policy statements;

- The Pre-Budget Report,
- Fair Rules for Strong Communities,
- The New Opportunities White Paper

Our ambition for the Britain of the future;

Our ambition to see our country grow stronger, and more prosperous.

Our ambition for a revolution in social mobility – now on the move for the first time in three decades;

Our ambition to win the biggest possible share of the 1 billion new skilled jobs that will be created around the world over the decade to come;

Our ambition to open those new opportunities to anyone with drive and determination and a spirit of hard work, by investing in people at every stage of their lives;

And our ambition to see a proud country of strong communities.

Today, times are tough.

But we know that the future will be different.

What people want is an economy where our performance matches our potential. And a society of fair rules and fair chances.

As an extraordinary country, whose sense of invention helped define this age, we have an extraordinary future ahead of us.

That future is well within our grasp.

But not unless government, the civil service, and our public services change with the world around us.

THE NEW REALITIES

So if we admit change is needed, let's focus our energy on debating its nature.

And this is my second point.

In these new times, we can revert to an old debate

About whether there is a trade-off between a strong society or a strong government.

But surely these new times have rendered that binary argument sterile and stale.

Let's not pretend we have a choice between strong government and a strong society when what we need is both if we're to build not only a richer economy but a fairer society and a stronger nation.

My argument is that in these new times this is possible without swingeing cuts, and without inexorable growth.

Let me take each in turn.

In some quarters, it is asserted that state action crowded out individual responsibility. That we have to roll forward society and therefore roll back the state.

Because somehow state action crowds good actions by individuals, good actions by communities.

In today's world, I say, this is simply no longer true.

Today's world is too big, too varied, the horizons too high, for the state to somehow become able to crowd people into some kind of corner.

In fact the reverse is true. The state is now but one player on the stage of a global society.

In this new age of new possibilities, people have new capabilities; new potential; new power because they are able to build networks that connect them to identities, income and information.

Social networking site MySpace has well over 100 million users.

If you count up how many people see Ebay as their primary source of income, it is the second largest employer in the United States.

Wikipedia has tens of thousands of editors and millions of articles.

Technology has powered networks which power people, in a way that now means individuals bring more to the table - but demand more to take away.

So, strong government would have to work hard to crowd out society that is as big as the world is large.

And the lesson for reformers is that the best reform will come when services are delivered in a way that allows people to bring something of their own - something in themselves, or in their families or in their communities - into the mix.

You know, in the 70's and 80's, Proctor & Gamble wiretapped employees who they suspected were talking to those on the outside about the company.

I know that would never happen at the Guardian.

Today, P&G say that half of their innovation and growth ideas come from reaching outside their organisation.

My point is that public services in the new world draw out the new potential of people to deliver something greater.

They are a catalyst to help you get on, not simply a net to catch you when things go wrong.

But the second trap to dodge, is to mix up an argument for strong government with an argument for inexorable growth of the state.

It isn't. Why?

But in today's world, you don't have to be big to be strong.

Not long ago, YouTube was bought by Google for \$1.65 billion. Viewers now watch over 100 million videoclips a day.

Do you know how many employees YouTube had?

67.

The lesson for those of us in public life?

That you don't need to do everything yourself.

That you don't have to be big to be strong. You don't have to shout to have a voice. And you don't need a million-strong membership to have an impact.

So, in this world, government can sometimes act as the builder of a coalition for change;

It should be the conductor, not the whole choir.

So don't confuse a call for strong government with a call for big government.

Third point.

In this new age, success in the pursuit of your political goals – the ends we seek - comes not from accumulating, or hoarding, or concentrating power in the hands of politicians or civil servants – it comes from giving power away.

Our mantra should be really simple.

We want a country of powerful people.

And that has to be my guiding principle in reform of public services.

Sometimes, when I talk to commentators, they ask me, puzzled, if we're on some kind of go slow when it comes to reform.

But, the last year has seen some of the biggest changes in public service reform.

Quiet perhaps. Revolutionary for sure.

Take health;

Since June 2007 we've increased the number of foundation trusts by nearly 75% in 18 months; now half of all acute and mental health trusts are Foundation Trusts.

The independent sector now provides 10% of elective treatments and 20% of diagnostics.

On choice, that contested ground of past years, we are not just proposing an NHS Constitution, we're proposing a law to enshrine a patients' right to choose.

Take education;

Twice as many academies have opened in the past 18 months than in all previous years – with 80 more due to by the end of 2009 and 100 more in 2010.

Over 120 Trust Schools are now open and almost all secondary schools – nearly 3000 of them – now have a specialism;

School chains have started; co-operative trusts with a clear parental voice announced;

And soon Ed Balls will publish plans for school report cards that will deliver for parents an insight into performance unprecedented in this country.

Take welfare.

The most radical reforms in a generation are not just being talked about – they are through their second reading in the House of Commons.

And we did all this while over-achieving on delivery of our efficiency targets, delivering £26.5 billion in savings.

That just doesn't feel like a go slow to me.

In fact at times, it has been a bit of a fight.

In health, we said to the BMA, that good quality patient care in the 21st century demands the ability to go and see your doctor in the evening and at the weekend.

The BMA, I think it is fair to say, demurred.

They said that 'longer opening hours is a workforce issue'. They said 'family doctors have already pulled out all the stops to deliver top quality services to patients under the new contract'.

Today, two thirds of GPs' surgeries now offer extended hours and their chair's practice is now running one of our new Health Centres.

In education, we said that we were simply not going to tolerate schools where only 30% of school-children achieved less five good GCSEs.

I think it fair to say, the National Challenge programme caused controversy.

One education leader said "Schools in these circumstances will not be turned around by threats from the government".

But new improvement plans are showing signs of change.

Heads and teachers are getting the support they need and want to enable all their children to succeed.

On efficiency it was said our drive was 'more about crude cost cutting rather improving services'

But we cut costs *and* improved services.

My point is that from this success we draw strength, not to slow down the speed of reform – but rather to step up the pace;

Why?

Because the approach we proposed we now know works;

These changes haven't been ends in themselves, they've been reform for a purpose;

For the first time, nearly all out-patients start treatment within 18 weeks of referral - compare that to 18 months that it took back in '97.

For the first time, over 64 per cent of 15 year olds now achieve five or more good GCSEs or equivalent, up from 45 per cent in 1997.

The chance of being a victim of a crime is the lowest level since surveys began.

Investment plus reform has delivered change and change for the better.

Soon we publish the delivery plans showing precisely how we will accelerate turning ideas into action.

Powerful people have professionals that work around them – not the other way round.

Powerful people have services that are tailored to what they need; that help them make decisions about how to run their own lives.

So, in health, from April 2009 we will begin free vascular checks for everyone between 40 and 74.

By 2012/13, we hope these checks will benefit around three million people nationwide.

We will enshrine the right to choice for all patients in legislation and legislate too for direct payments or personal budgets for 15 million people with a long term condition.

We test the principles in trials later this year.

In social care, we've committed to ensuring that the majority of eligible people have a personal budget for social care support by 2011.

In education, we'll deliver up to 10 hours extra one-to-one tuition in either English or Maths in the Spring and Summer terms for some 36,000 10 and 11-year-olds at risk of falling behind.

And we're committed to free nursery care for all two-year-olds, delivered first to those who need it most.

In policing, every force in the country has a pledge in place to people about what they'll deliver in their street;

This week we put online crime maps for every local area to give people the power to check on progress and can influence justice in their neighbourhoods.

But the second characteristic of powerful people is to take responsibility for themselves; and that is a new balance we will strike between the state and the citizen because in this new world, government does not - and should not - do everything.

People have a responsibility to help themselves and nowhere is this clearer than in welfare reform.

So we will legislate for a welfare system that sets people free from welfare dependency but helps them find their way there.

Those unemployed for over a year will be expected to work for their benefits as a prelude to a return to a paid job.

Third, powerful people live in communities which are strong.

When I look around my constituency now, I see a new fabric of community institutions, that simply were not there a decade ago.

Sure Starts that bring together local parents. New schools open all hours - that provide a place to learn for parents as well as their children.

Neighbourhood police teams visible on the streets and in new public meetings.

I see new health centres, with new services in the heart of our community that bring together lots of agencies in one place. I see new colleges, like our extraordinary Joseph Chamberlain college. There are new universities now.

And in every neighbourhood I see a stronger third sector connecting with the passion and power that live in all communities demanding change, taking over old buildings, opening doors once closed, getting kids off the streets and bringing neighbours back together.

But having rebuilt these new institutions of old communities, we have to hand over the reins.

That's why we're proposing to change the balance of power stretch from the Houses of Parliaments to the streets people live in;

- Participatory budgeting: where citizens help to set local priorities for spending
- Direct membership – now over 1 million – of Foundation Trusts
- 'Community justice'- giving local people the chance to decide, for example, what tasks offenders on work orders should undertake
- Community engagement in local planning

- Increased accountability of local police and health services
- More local people helping to run or own local services and assets, such as community centres, street markets, swimming pools, parks or a disused school, shop or pub
- Community Land Trusts (CLTs), independent organisations soon to own or control land for the benefit of the local community.

In health, education, crime, welfare reform, our purpose, our route to the future, is through powerful people.

And if public servants are to rise to this challenge – and it is a challenge – they have to be more free, to serve the person or the community in front of them;

Not a standard person that we find in a text book.

A real person. A real community. Unique. Special. With their own ambitions, their own potential, their own world-view.

I feel very fortunate to be the son of two public servants who wanted to serve in the 1970s. They didn't want to work on a production line, but to change the world.

So we at the centre will have to let go and give the frontline freedoms. But let's not confuse freedom with walking away.

Standards cannot be a gamble. They must be a guarantee.

But when things go wrong, the state can't simply stand by and wring its hands. Rapid intervention – learning and correction - is the safeguard of innovation.

So we won't leave standards to chance, or the tender mercies of the marketplace.

That's why the National Schools Challenge will ensure every secondary school in England meets the minimum.

It's why the Care Quality Commission will bring together the health and the social care inspectorates to give us simpler, tougher delivery of quality.

We have to act, to intervene when we see the rights of citizens to service we expect not met.

But beyond this, increasingly, the centre has to let go.

The centre has to be an agent of change, not of control.

So, this year we press ahead with our plans to free up the frontline:

At its heart, more freedom to draw on a bigger range of innovation, specialism energy, enthusiasm, insight, and yes, love and care.

Freeing every police force from the bureaucracy of all targets bar one; the confidence of the public they serve;

Freeing local councils to strike local area agreements which new flexibilities to agree local priorities;

Every hospital a foundation trust by 2010 with the freedom to govern itself and reinvest its own finances in the interests of its community;

More academies with more scope to innovate in teaching

and the curriculum to improve results for the young people who need it most;

And no-one has a monopoly of wisdom, and if we want to build a bigger coalition for change in this country then we need a bigger place for the third sector partnering to deliver public services.

So I will next week publish my goals for growing the third sector workforce through a bigger role in public services;

- Backed by over £200 million investment in Futurebuilders,
- Backed by the Department of Health's £100m social enterprise investment fund
- And strengthened by DWP's right to bid which invites voluntary and independent providers to submit ideas to improve welfare-to-work provision.

This is our agenda: for powerful people and new freedoms for the frontline has big implications for the centre.

It has big implications for the centre. The centre will have to change. And Whitehall will have to change.

That journey has already begun; soon we will have the smallest civil service since the Second World War. We've cut the civil service by 86,700; every department is reducing admin budgets by 5% per year through to 2010/11.

I will welcome any idea, any advice, any submission on what more we can do to save even more money without cutting to the bone of public services.

But if we want the centre to be strong as well as small, then frankly, candidly, we have to take on some long-standing problems.

I think Whitehall reform is unfinished business.

The issues are well known;

- In a crisis, Whitehall's response is superb; but the currency of innovation still isn't circulating widely enough

- Whitehall doesn't yet work corporately enough – despite PSAs now requiring joined up working, behaviours have been too slow to follow
- Whitehall does not learn enough from the frontline and the third sector place, and place an understanding of delivery as the critical capability in modern government
- Capability reviews are good – but accountability is still not sharp enough

I'm not naïve enough to see these challenges are new; but I'm impatient to want change and I believe that impatience is shared by many civil servants, including Sir Gus O'Donnell.

So, Whitehall cannot be a no go area for reform as we step up pace of change.

So, today.

- I am asking Sir David Omand, Lord Victor Adebawale and Professor Ken Starkey, who have examined how we close the gap between Whitehall policy and frontline

delivery, to publish their findings shortly and then work with me to set in place their recommendations across Whitehall.

- We need to rethink how the performance management and accountability of civil servants can better promote greater value for money, learning from the frontline, more innovation, and better corporate working. I have therefore asked Sir Michael Bichard and Sir Gus O'Donnell to report to me on these issues, including advising me on the implications for the next phase of Capability Reviews, taking account of today's NAO report.
- I am asking Sir Gus O'Donnell to propose changes to the Cabinet Office so that we are better able to act as a centre for social innovation and to better lead public service reform.
- And I have asked the new Permanent Secretary of Government Communications, Matt Tee, to lead a programme of work to report to me and Sir Gus O'Donnell on how Government can ensure that the most innovative and effective insights on behavioural

change inform the way public services operate in today's new world of choice.

Finally, I'd like to say a word about the politics of reform.

The argument I set out today is about reform, not for its own sake but for a purpose, not to make a point to the public, or to start a row with my party or other parties.

It is reform for a purpose. And it is reform with passion.

These ideas are rooted in the radical democratic idea that power must be exercised at the lowest possible level.

As David Blunkett puts it "human freedom resides in self-government". Your fulfilment as an individual, is best reached alongside others in your local community.

It's what led us at the turn of the 20th Century to a tremendous wave of civic inventiveness around cooperatives, mutuals and civic, community life.

And so I believe we are living in a post-bureaucratic age, but it is the lessons of the pre-bureaucratic age that have the most to teach us.

To guarantee an equal distribution of capability, of aspiration, of opportunity, of power.

This for us is the role of the state – to ensure that everyone in our society is enabled to realise their potential.

We don't believe in more or less government but government that works.

Unreformed and monolithic government doesn't work.

We don't need a big government to have a strong state, but we do need a strong state to have a richer economy and a fairer society in years to come.

We don't need the post government age that others propose. We need an active government that puts the wealth, might and power of this country on peoples' side.

ENDS