

GWASANAETHAU CYHOEDDUS / WALES' PUBLIC SERVICES 2025: an independent programme on the future of public services in Wales

December 2011

Who are we?

Since last winter, an ad hoc group - *Ian Hargreaves (Cardiff Business School), Megan Mathias (Kafka Brigade), Michael Trickey (JRF Wales adviser), Prof Steve Martin (Cardiff Business School), Sir Adrian Webb, Alison Ward (CEO Torfaen Council), Dr Martin Rhisiart (University of Glamorgan), Helen Birtwhistle (Wales NHS Confederation), Jennifer Wallace (Carnegie UK Trust), Ben Lucas (2020 Public Services Trust)* - has come together to develop a proposal for an independent programme on the future of Wales' public services, at arms length from government. Cardiff Business School is providing a virtual home for the initiative while proposals are developed.

What is this about?

Previous public service reviews have made real contributions to public service in thinking in Wales but have been government-sponsored, sector focussed and resulted in the production of a report, followed by a government response.

We want to do something more. We want to wake people up to the scale of change needed over the next decade, and engage them in research-supported debate about what to do and practical action. Drawing on UK forecasts, for example from the *Institute for Fiscal Studies*, the *Office for Budget Responsibility*, *Joseph Rowntree Foundation* and others (about public finance, housing, poverty, climate change etc) it seems clear that the future demographic, fiscal, welfare, environmental and social challenges faced by government over the next decade will be unprecedented and likely to have profound implications for public services. For Wales, with a more-rapidly ageing population, areas of intense deprivation and a relatively under-developed private sector, these challenges are likely to be even more intense.

Given that the issues are long-term, difficult and likely to require an innovative response, they need to be explored in an open and creative way independently of government. But the independent capacity and opportunity within Wales to research, debate and develop new public service models is limited – the think-tanks and relevant academic departments are small and have wider agendas, our one national newspaper, the *Western Mail*, is experiencing a steeply declining circulation.

We believe there is a need for a one-off programme that engages politicians (of all parties), public service professionals and workforce (from all sectors), academia and civil society in exploring ways forward for public services in Wales. The programme will involve futures research, comparative studies and deliberative sessions in an action-research framework.

Why now?

Change takes time and work is needed now on the kinds of change that will be needed to create a sustainable future for public services in the 2020's.

The new political landscape in the UK has thrown into sharp contrast the political differences between the four nations, with a Conservative-Liberal coalition emerging from the 2010 General Election, the SNP victorious in Scotland, and a Labour Government taking power following the Welsh National Assembly elections. Wales will need to respond to the same challenges as those facing the whole of the UK but as well as taking a different political path, Wales has its own unique history and values - and proposals for the transformation of Welsh public services need to be attuned to these.

What issues will the programme explore?

Reconciling the tension between the growing demand for services, commitment to improving social outcomes and the real terms unprecedented pressure on levels of public spending will raise complex issues and choices for public services. We propose exploring these and looking for practical ways forward over the next decade by asking two related questions. :

1. **Will the relationship between the citizen and public services need to be recast and how.** Welsh policy makers have espoused a commitment to placing the citizen at the centre of public services, rejecting the notion of consumer choice in favour of the view that public services should be seen as a partnership between citizen and the state. Surveys support the view that the public in Wales has a greater sense of attachment to public services than is the case in many other parts of the UK. And satisfaction with public services remains high. However, many observers feel that, in spite of the rhetoric, there is evidence – for example from the Children's and Older People's Commissioners - that citizen voice remains a weak driver in many services.

Further, some of the most important challenges facing Wales - for example reducing levels of poverty and economic inactivity, increasing independent living among older people, ensuring safer communities - depend on the extent to which public services can work in partnership with other services and with users and their families. This is often linked to the case for a much stronger focus on early intervention and prevention. There are many promising examples of joined up working and innovation but these still tend to be one-offs.

2. **Will the model of Welsh public services need to change over the next decade in response to unprecedented budget, demographic and other pressures and, if so, how might a transformation be secured.** The Welsh Government is committed to mitigating the impact of UK spending and welfare policies and so far the effect on jobs and services has been limited. But UK studies are pointing to the long-term implications of the ageing population for public finances, even assuming that public spending rises in line with national income, and the potential consequential squeeze on spending in other areas, for example housing and education, This could be even more pronounced if the current UK Government's goal of rebalancing the state exerts a continuing downward pressure on overall spending levels.

We need to understand more what this might mean for Wales, given its social and economic challenges. Wales is arguing for a better financial settlement linked to its needs but, looking forward, it seems unlikely that any betterment it secures will alone be sufficient to enable public services to meet the demands on them unless there is also significant change and innovation in the way services are designed and delivered.

The immediate focus of public service improvement in Wales is delivery and performance. Continuing concerns about the patchiness of the performance of Welsh public services have been reinforced by recent reports and comparative studies. The Welsh Government is taking concerted action to raise the floor on performance and drive collaboration. The question is what more might need to be done in reshaping and transforming public services over the long term to create a sustainable model.

Examples of questions for the programme include:

The future relationship between the citizen and public services? ,

- Is the language of social contract still relevant today, and what should it mean for families in Wales in terms of their relationship with public services?
- How much can – and should – communities do for themselves – e.g., community assets, community budgets?
- Should public services focus more consistently on empowering citizens and supporting them in making key decisions about the services they receive? What would need to change in the way services are designed and delivered?
- What are the practical options and implications for strengthening citizen voice and co-production? Is the current balance in Wales between voice, choice and exit placing citizens sufficiently centre stage in public services?
- Should government at all levels fund & commission against citizen outcomes and, if so, how? Is there clarity about the relationship between better public services and better citizen outcomes?

Demand for services, better outcomes and available resources

- What would current UK public finance trends and forecasts mean for Wales and the money available to it over the long-term?
- What are the future implications for service demand of demographic change, the impact of welfare reform and trends in poverty, health, employment and other outcome areas?
- What might be the implications for Welsh Government spending and priority-setting? Local authority spending? Family budgets? Other resources?
- How might the range and nature of services change?
- What are the opportunities for new organisation forms, and what might they deliver?
 - how might a new mutualism work, and how would we get there?

- how might integrated working on the ground across public services around citizen needs be further catalysed?
- what might a 'shift to prevention' mean, both in the short and longer term?
- What could this mean for people working in Welsh public services – at the front line? In support functions? In policy functions?
- (How) could we change how we *perform* scrutiny, accountability and performance management to support new arrangements?
- Not all services or policies are fully devolved: what are the implications for those outcomes reliant on a mix of British and Welsh policy?
- Is there scope to build further on the social partnerships and the opportunities of Wales as a small country in developing new public service approaches?

Our proposed approach

The territory this programme will cover is innately political but over-politicisation of the issues can reduce the opportunity for debate. So we aim to create a safe space in which evidence on the scale and implications of the challenges facing public services can be considered and new ideas explored.

At this stage, we anticipate three key design characteristics of the programme that will help us to think radically, collectively:

Unlearning. We will seek to make shared assumptions about public services explicit in order to submit them to critical reflection. We will then focus our search for radical, practical solutions on ideas consistent with underlying Welsh values - such as a strong emphasis on social action, co-production and the mixed economy – but not on unnecessary assumptions.

Using evidence. For us, thinking radically works best when grounded in evidence. This means:

- Taking advantage of existing research and analysis from within Wales (e.g. the recent service reviews and previous studies), the UK and internationally. The search for ideas must be outward looking. The way forward in Wales will be distinctive - solutions cannot simply be cut and pasted from elsewhere, but it is vital that we learn from relevant national and international practice. For example, we will search out ways to make the most of the opportunities open to a small nation.
- Analysing quantitative and qualitative official statistics, data and evaluations provided by local public services and regulators, independent research and forecasts, deliberative research about public's preferences and priorities and the experience of the workforce.

Collaborative, open innovation. The programme will involve a mix of methods designed both to engage the full range of stakeholders (including government, politicians, public services, partners, user groups, community groups) and to facilitate in-depth collaborative enquiries (e.g., seminars, comparative learning sessions with other small countries, quick fire problem-solving). We anticipate a complementary social media stream, and open events dedicated to specific problems. In this way, we hope to attract insight and ideas it would be

otherwise impossible to access. The programme's products and research questions will be published under a creative commons licence.

Governance & team

We believe it is important for the programme to remain independent. The programme will be firmly at arm's length from government and party politics, but it will engage pro-actively with politicians and government throughout the process in order to test out and develop the emerging analysis and ideas. Cardiff Business School has offered to provide an administrative base but the enquiry will have its own independent governance structures including an expert group comprising senior figures in Wales, external experts and advisers, including members of the RSA's Public Services 2020 initiative. Further, the enquiry will draw evidence from and orchestrate events and activities in all parts of Wales.

A small core team will provide day-to-day co-ordination of the programme, research and facilitation support.

Activity so far – and going forward

The foundation phase of the programme (November 2011 to April 2012) will test the approach set out in this paper at a major conference on 9th February 2012 and publicise the approach through the web, social media and published articles. Subject to the response, we shall be developing detailed funding proposals from UK and other foundations, building the network of researchers and partner bodies and developing the full programme plan. This work is being funded by Joseph Rowntree Foundation and Carnegie UK Trust. The full programme will run from April 2012 for up to two years. We are in discussion with a range of possible funders.

The team has been learning from the experience of the RSA's PS2020 team and is in close touch with others undertaking similar work elsewhere.