

VISIONS IN PUBLIC SERVICES

Rod Aldridge
Chair of The Aldridge
Foundation and Founder
of Capita Group

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Agenda

- Where we are today
- Public Sector put into context
- Radical change in approach required
- The Foundations work - A touch of reality!
- Going forward

The world we live in today

- Household names going out of business
- As tax payers, we now own over 70% of the UK's largest bank
- CBI predicting that unemployment could reach 3 million, slightly more than 10% of the workforce
- Currently 14% of 18-24 year olds unemployed and 6% of 18-64 year olds
- The Institute for Fiscal Studies predicts government borrowing will rise to £100bn+ in 2009/10 and 2010/11 with a £37bn 'black hole' in finances
- We are in a recession with all UK industries [financial, retail, manufacturing, housing] badly effected
- A General Election in 2010?

The public sector in context

- By comparison, worlds of local authorities and central government relatively unscathed...at present
- Government has put reform at the top of the political agenda since being elected
- The recession will see a considerable increase in demand for services
- At the same time the spending review will forecast a substantial reduction in public spending by as much as £30bn to £40bn
- The demand placed on public sector managers to deliver more for less will be immense and few will have experienced this before

A comparison with private sector

- Impact more immediate and very public
- Actions to reduce cost taken faster and more extreme
- Job losses announced daily
 - The number of people in public sector employment was 5.78 million in December 2008, up 15,000 from September 2008.
 - The number of people in private sector employment was 23.60 million, down 13,000 from September 2008.
- Competition intensifies need for action
- Innovation, re-engineering, outsourcing – all used to survive
- Entrepreneurs to the fore!

Public Services – radical changes in approach needed

- Expenditure reductions of magnitude needed cannot be achieved by ‘efficiency savings’ alone
- Frontline services, such as health, education and policing will be protected for as long as possible
- Large scale job losses are inevitable
- Big chunks of spending will need to be removed – pain will not be evenly spread
- Inspection and regulation could be cut back

Public Services – radical changes in approach needed (continued)

- Could a review of the quasi-autonomous Government bodies happen with mergers occurring?
- Cutting back-office costs top of the agenda
- Pay, and terms and conditions will become an issue necessary to address with recruitment frozen

Delivering more for less

- Will require strong political and managerial leadership
- Need to use – innovation; aggregation; and transformation
- A strategy to ‘attack’ and not just respond in a ‘knee jerk’ way
- Partnership working essential to unlock this

Shared services

- Theoretical logic irrefutable – but in reality little has happened
- Potential savings from HR and IT could be £40bn over 10 years; before adding Council Tax, Business Rates, and Housing Benefit
- 400 local authorities still have own IT infrastructure and call centres to administer a transactional service
- Unlocking savings need co-operation
- Barrier is tradition, timidity and territorialism
- Incentives needed for it to happen

Partnership working

- Involves public, private and third sector working together
- Transformation only unlocked by working with 'specialist' in field that have infrastructure and scale
- Relationships need to move on from straight outsourcing to joint ventures
- Procurement – could we see a return to CCT style contracts?

The Foundation's work

- **The Aldridge Foundation uses entrepreneurship as a catalyst to unlock the potential of underperforming young people and the most excluded groups.**

A touch of reality!

The Foundation's work – academies

- Darwen (near Blackburn)
 - 8.6% NEET
 - 31% SEN
 - 29% Free School Meals
 - 31% 5 A*-C including Maths and English
 - 15% of households lone parent
- Falmer (near Brighton)
 - 10.9% NEET
 - 48% SEN
 - 38% Free School Meals
 - 18% 5 A*-C including Maths and English
 - 18% of households lone parent

Are public services really working for the most excluded groups?

- 65% of boys with a convicted parent go on to offend.
- 77% of children released from custody in 2006 reoffended within a year.
- Re-offending costs society at least £11 billion per annum

- 71% of children in custody have been involved with, or in the care of, social services before entering custody.
- 40% of children in custody have previously been homeless

- 48% of prisoners are at, or below the level expected of an 11 year old in reading, 65% in numeracy and 82% in writing
- Nearly half those in prison have no qualifications at all.

- Half of all prisoners do not have the skills required by 96% of jobs and only one in five are able to complete a job application form.
- Half of all male prisoners were excluded from school, compared to 2% of the general population.

All statistics from: Prison Reform Trust 2008

Public services – going forward

- The role of the state will be revisited.
- Innovation needs to be encouraged and rewarded.
- Structures putting the user first will prevail rather than the silo management we have to day.
- ‘Top down’ policy made in isolation needs to meet ‘bottom up’ ownership and reality.
- A ‘lurch’ toward the return of cost driven procurement.