Developing better measures of productivity and public sector outcomes should be the next task for the chancellor and all secretaries of state. The Chancellor is right to call for "more" from public services but it must be more of the things that matter.

Amy Finch, <u>Public Finance,</u> 25 November 2015

Reducing private-sector involvement would lengthen waiting times, increase costs, undermine treatment for some patients in the greatest need and lose votes. Apart from that, it's a great idea.

"weak and ageing"

Constabulary to have

capability.

by Her Majesty's Inspectorate of

land and Wales were recently

digital technology. Forces

adoption of

in Engla found b

he police are not renowned for their

cybercrime — which includes extremism

coordinated online-

shortcoming is not

owards citizens;

Given the growth in

a nice gesture addressing this

just

increasingly tech-savvy it is an absolute priority.

Andrew Haldenby The Times, 16 August 2016 to poor health, which in turn can lead to extra costs to the public purse. It is unacceptable that more roque landlords are not being identified and prosecuted. Government must act to ensure that appropriate accountability is built into the housing benefit system.

Charlotte Pickles The Times, 17 October 2015

#reform2016

Issue 15

Official performance measures at the moment focus on evaluating what goes on inside prison walls, but fail to focus on the long-term outcomes that really matter, such as reoffending or sustained employment.

Autumn 2016

Reform Journal



"Reform has consistently challenged the government to be more radical and more urgent in its pursuit of accountability, value for money and transparency in public services." Rt Hon Theresa May MP, Prime Minister, speaking in May 2016 *Reform* is an independent, non-party think tank whose mission is to set out a better way to deliver public services and economic prosperity. Our aim is to produce research of outstanding quality on the core issues of the economy, health, education, welfare, and criminal justice, and on the right balance between government and the individual. We are determinedly independent and strictly non-party in our approach.

Reform is a registered charity, the Reform Research Trust, charity no.1103739.

Trustees



Stephen Hargave Chairman of Trustees, *Reform* and Partner, Cigala LLP



James Palmer Partner, Herbert Smith LLP



Jeremy Sillem Managing Partner and Co-Founder, Spencer House Partners

Reform 45 Great Peter Street London SW1P 3LT

T 020 7799 6699 info@reform.uk www.reform.uk

This publication is the property of the *Reform* Research Trust.

ISBN: 978-1-909505-97-1



Contents

Editorial	2
The team	4
Join us in 2017	5
A year of Reform	6
Publications in 2016	10
Events and speakers in 2016	12
Growth	14
Health	20
Criminal justice	24
Education, welfare and skills	30
Reform at the Party Conferences	38

"Reform are a really valuable partner to work with given their leading role in shaping the agenda. Like Accenture, *Reform* focus on great ideas and how to pragmatically deliver on them." Simon Mitchell, Managing Director, Accenture

Editorial

Andrew Haldenby



Every reader of this *Journal* will remember the extraordinary political events of early July, as the Conservative leadership contest ended in a matter of days rather than the intended three months. *Reform* happened to host a joint lecture by Matthew Hancock MP and Phil Smith,

CEO of Cisco in the UK, on the morning that Andrea Leadsom announced her retirement from the contest. I hope Matthew won't mind me saying that he, I and the rest of audience had one eye on the future of digital productivity in the UK and the other on Twitter, watching events unfold. It felt like politics was moving at an unprecedented pace, leaving even the most experienced observers breathless.

Because the contest finished unexpectedly quickly, Theresa May did not have the chance to set out all of her views. She made one policy speech before the contest ended, setting out her wish to tackle unaccountable business behaviour. The many speeches to follow, from the NHS to education to welfare and so on, were never made. As a result there is a great sense of anticipation for her conference speech in early October.

The new administration's early decisions show a natural wish to change tack from its predecessor. It will be fascinating to see how far new ministers take that change. In fiscal policy, some are arguing for a symbolic break with "austerity", replaced by a stimulus based on much higher infrastructure spending. As *Reform* authors point out on page 15 the economic arguments for infrastructure are strong but the government needs the right policy framework to hold projects accountable for value for money and performance. In areas like energy and transport, it is confusion in the Government's objectives that has prevented the huge opportunities of private investment being realised. Road tolling, airport capacity, energy generation – a "new industrial strategy" would have a flying start if the Government clarified its policies in these areas.

More broadly, Philip Hammond MP will remember his time as Shadow Chief Secretary to the Treasury ahead of the 2010 General Election, when he argued that significant savings in public spending could be made if public sector productivity ran at the rate of the private sector. Speaking for *Reform* before the summer recess, David Gauke MP, the new Chief Secretary, explained that the push for reform would be unaffected by a decision to loosen fiscal policy in the short term.

On grammar schools, Neil Carmichael MP (page 34) rightly argues that a return to selective education is a big misstep that will hinder, not help, the Prime Minister's wish to improve social mobility. It would also divert ministers' energy from the real task of improving all schools by giving them greater freedoms and encouraging their joint working. Further, it is a great example of what *Reform* has previously called "halfway house reform". It can seem easier to governments to duck the challenge of reforming a whole public service and instead introduce a small change affecting a narrow group of people. Theresa May's new policy will likely produce only a handful of new grammar schools in this Parliament, compared to the total number of secondary schools in England of over 3,000. In all senses, a boost for selective education is not a policy for the "many not the few".

The Prime Minister's views on the NHS will be especially important. The service is now at the point when the very good reform programme set out before the General Election (the *Five Year Forward View*) needs to find the momentum to make a difference before 2020 or to fall by the wayside. There is no shortage of reform energy in the Service, as Sir David Dalton (page 22) and Richard Power (page 23) make clear. In this area, the new administration should make its mark by accelerating current policy rather than finding an entirely new direction.

As Home Secretary, Theresa May gave the clearest reform argument of any minister. On the police, she explained that what matters is the outcome of lower crime rather than staff numbers or budget levels. She also stuck to her guns in the face of aggressive campaigning from her opponents. Both that idea and that determination will serve her well in her new position.

Andrew Haldenby, Director, Reform

Charlotte Pickles



The mainstream assumption on 23 June was that Britain would vote to Remain in the European Union. As the nation woke up on the 24, the shock was palpable.

In the weeks after the referendum result, analysis focused on the socioeconomic and geographical divides it

exposed. Leavers were not in fact just the dispossessed, just as Londoners and Scots were not just Remainers, but income, education level and occupation type mattered. Voters struggling on low incomes, out of work or in low skill, low pay jobs were more likely to vote leave. Those living in deprived communities, in areas with stagnating economies, were more likely to feel the status quo was not working – unsurprisingly, those with the least control had the greatest appetite for change.

That is why *Reform*'s mission – to identify better ways to deliver public services and economic prosperity – remains as vital today as ever. Public services must deliver for those who need them most, they must be accessible and inclusive, drive opportunity and support people to achieve their potential.

The school system must provide an excellent education for all; an engine of social mobility. The welfare state must mitigate against poverty and protect the vulnerable, but also act as a catalyst for self-advancement. The health system should prevent as determinedly as its treats, narrowing inequalities. The criminal justice system should act with transparency, without bias, to deliver swift and proportionate justice. Each services should focus on the outcomes that matter and spend taxpayers' money with caution. Public services must serve the people.

There is a long way to go to achieve this vision of inclusive, sustainable public services, but the new Government is committed to reform. On the steps of Downing Street Theresa May said: "We will do everything we can to give you more control over your lives...We will do everything we can to help anybody, whatever your background, to go as far as your talents will take you." *Reform* will continue to drive the debate on how best to achieve this.

Since the 2015 party conferences we have published 19 reports and made 105 recommendations. We have

produced blueprints for overhauling ineffective models of primary care, incapacity-related benefits and offender management services. We have explored the potential of digital to deliver lower cost, citizen-centric services, from policing to higher education. We have provided frameworks for measuring productivity and prison performance; put forward proposals for building competitive public service markets and ensuring value for money procurement; and identified opportunities to drive academy chain performance.

Over the coming year we will be just as ambitious and forensic in our research programme. We will focus on two key policy streams: workforce reform and value for money public services. The *Reform* team will examine how best to ensure public service workforces are productive, and the implications of an ageing society on labour market outcomes. They will also look at value for money in schools, how best to fund social care and childcare, and how public service commissioning can be reformed to drive the greatest value.

Far from a Brexit vote side-lining the need for radical public service reform, the referendum result has made it all the more urgent. *Reform* will continue to produce robust research and practical policy ideas. We will challenge the Government to be bold in their action and hold them to account if they fall short. We hope you join us in this mission.

Charlotte Pickles, Deputy Director and Head of Research, *Reform*

3

The team



Andrew Haldenby Director



Elaine Fischer Research Assistant



Ayla Kolakovich Office Manager



Olivia Sundberg-Diez Corporate Partners and Fundraising Officer



Charlotte Pickles Deputy Director and Head of Research



Charlotte Hamilton-Wright Events and Communications Assistant



Kate Laycock Researcher



Ben Dobson Researcher



Eleonora Harwich Researcher



William Mosseri-Marlio Senior Researcher



Amy Finch Research Manager and Head of Education



Alexander Hitchcock Researcher



Caroline Perry Events and Communications Coordinator



Emilie Sundorph Researcher

4

Join us in 2017

Reform costs around £1.2 million a year to run, largely to maintain and develop a strong team. It is a proven organisation able to turn those resources into results. It is a charity with genuine political independence.

Please join the 60 individuals and 60 companies that support *Reform* financially each year. They do so because they share our vision of better policy leading to a more

prosperous Britain. They also enjoy close contact with *Reform's* team and regular opportunities to contribute their thinking to our work.

Reform has effective governance, stable leadership and secure finances. Its agenda of radical change to public services is one of the key political questions of our times. Please join us. Andrew Haldenby Director Andrew.Haldenby@reform.uk

Olivia Sundberg Diez

Corporate Partners and Fundraising Officer Olivia.SundbergDiez@reform.uk



A year of *Reform*

2015



John Manzoni, Chief Executive of the Civil Service, addresses Reform's annual conference.

	靐
	2
Towards a more productive state	-
Towards a more productive state	
Towards a more productive state	

Reform published Towards a more productive state, putting forward a new approach to assessing public sector productivity.



Writing for Conservative Home, Alex Hitchcock, Researcher at Reform, argues that the pension triple lock is "fiscally irresponsible" and a fairer approach to uprating working age benefits is needed.



Andrew Haldenby, Director at Reform, argues in The Telegraph that better public services can be achieved without higher spending.





Reform publishes Employment and Support Allowance: the case for change, kick starting a series of three papers on reforming the outdated incapacity-related benefits system.

December



Charlotte Pickles, Deputy Director and appeared on BBC Breakfast to discuss

2016



Andrew Haldenby debates the merits of charging for GP appointments on Sky News.



Reform launches a monthly Director's Vlog, discussing key political developments and detailing *Reform's* activities.

February	
	REFORM
Working welfare: a radically new approach to sickness and disability benefit	
Charlotte Pickles Ed Holmes Harnah Tidley Ben Dobson	
February 2016	#reformwellare

Reform publishes Working welfare: a radically new approach to sickness and disability benefits, calling on the Government to overhaul the incapacity-related benefits system.



William Mosseri-Marlio, Senior Researcher at *Reform*, discusses *Reform's* paper on digital justice in a piece for the *Guardian Public Leaders Network*.



Reform publishes Cloud 9: the future of public procurement, arguing that improved procurement processes could deliver billions in savings.



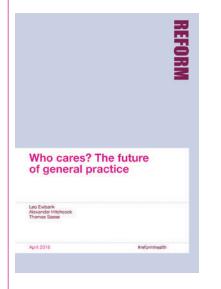
In the wake of Iain Duncan Smith's resignation as Secretary of State for Work and Pensions, Charlotte Pickles appeared on *Newsnight* to discuss the future of welfare reform.

7

2016

pril	
	REFORM
Unlocking priso performance	n
Elzabeth Growhurst Eleonora Harwich	

Reform publishes *Unlocking prison performance*, providing a blueprint for measuring performance and rating current prisons on their efficiency and effectiveness.



Reform publishes *Who* cares? *The future of general practice*, providing a modern vision for primary care in Britain.

accenture Happerformance, Belleved.	REFORM
The future of p services: digita	ublic I patients
William Mosseri-Marlio	
	#digitalpatients

Reform publishes the third paper in a series on the future of public services. *Digital patients* explores the transformative power of technology for the NHS.



Then Home Secretary, Theresa May, uses a *Reform* platform to outline her vision for fire service reform.

June



George Freeman, then Minister for Life Sciences, delivers a speech to *Reform* on the importance of innovation and patient empowerment in the NHS.



Amy Finch, Research Manager and Head of Education at *Reform*, writes for *Schools Week* on priorities for school reform after the EU Referendum vote.

July

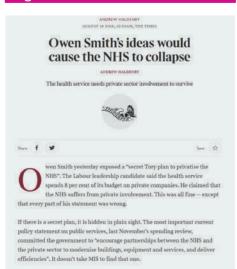


Labour MP Liz Kendall delivers the keynote address at *Reform's* annual dinner.



Reform publishes The Work and Health Programme: levelling the playing field, arguing that open competition and a vibrant provider market are key to success.

August

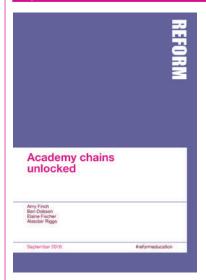


Writing for *The Times*, Andrew Haldenby presents the case for private sector partnerships in the NHS.



Alex Hitchcock, Researcher at *Reform*, launches a series of Reformer blogs exploring the potential of blockchain technology to transform public services.

September



Reform publishes Academy chains unlocked: the 2020 school system, calling for a radical shake up of funding, commissioning and accountability.



Writing in *Times Higher Education*, Emilie Sundorph, Researcher at *Reform*, describes how learning analytics can help universities deliver better outcomes.

9

Reform Journal / Autumn 2016





Reform Journal / Autumn 2016





"We need big debates around reform for competitiveness in the 21st century and I think *Reform* think tank is the place that is leading that debate" George Freeman MP, Chair, Prime Minister's Policy Board, June 2016







Ministers and Shadow Ministers have spoken since November 2015





"Reform is a think tank whose time has come. It does great work which any government should value" Liz Kendall MP, July 2016













13

Growth

Reform comment

Less than a decade after the greatest economic collapse in the post-war era, the UK appears to be entering a new period of economic instability. The immediate catalyst is Brexit. Its impact remains uncertain, but if GDP figures start to indicate a downturn, the new Chancellor and businesses will have to act.

Even so, the UK faces a more daunting fiscal challenge than a short-term slowing of growth. Without an immediate and permanent increase in health productivity, age-related spending will drive debt towards 200 per cent of GDP by 2060 – nearly three times the current level.

New thinking is needed from government and businesses to address these challenges.

Many see infrastructure investment as an answer to the country's fiscal problems. Underspending in recent years has led to a series of capacity constraints – in electricity, air travel and roads to name just three listed by the OECD. Investment would improve the economy's productive capacity, rectifying the current situation which sees the UK lag 19 percentage points behind the average output per worker of the other G7 group of industrial nations. More than this, the International Monetary Fund has found the boost in GDP that countries receive from increasing public infrastructure offsets any rise in debt. In short, public infrastructure investment can pay for itself.

To make a success of infrastructure investment, the Chancellor must beef up independent oversight. Projected costs for rail projects typically overrun by 45 per cent, as exemplified by High Speed 2. With expertise in value for money, organisations such as the NAO should be able assess the business case of such large projects before they begin.

The real engine of long-term growth must be business. however. Economists will list legions of ways the private sector can grow in the postindustrial era, but a number of Reform's party conference events look at the role of the workforce. Evidence shows diverse management teams and boards deliver higher stock growth and operating profits; better corporate governance and oversight; and improved decision-making. McKinsey has calculated getting more women into boardrooms would add 12

per cent to UK GDP.

Businesses need cultural change to deliver these benefits. This won't happen overnight, but simple steps such as reviewing recruitment and performance management practices to mitigate unconscious bias can make a big difference. As can flexible working environments and improved support for women returning to work after time out.

Government and business must rise to the challenges of the 21st century economy. If taxpayers' money is spent wisely, investing in infrastructure will allow citizens to reap future rewards. Businesses can likewise secure future growth by making use of their greatest asset: employees.



William Mosseri-Marlio, Senior Researcher and Alexander Hitchcock, Researcher

REFORM Reform

@reformthinktank

Watch @MattHancockMP deliver a speech on how technology + the tech sector can help improve productivity:



Solving the puzzle: how can technology and the tech se... Reform convened a policy lecture, in partnership with Cisco, on the question of how far technology and the tech sector can help improve productivity. Rt Hon ... youtube.com

Sharron Gunn



Equality and diversity in the workplace is not just a matter of good corporate citizenship, it is also good business sense. One of the key challenges for all businesses is

promoting mobility within the workforce and recruiting from all backgrounds to create a representative workforce that can be trusted.

Gender equality is a term that is well known, yet the gap between good intentions and real action remains uncomfortably large. Businesses need to reflect on how they create and encourage environments that support career development for women and men, including raising aspirations and dealing with practical 'caring' issues that disproportionally affect women. We need solutions that highlight the benefits for employers, generate change, and create incentives for women to remain in, and return to, business. Cultural change will take time, but greater recognition of the added value women bring to businesses is crucial in helping women realise their potential and changing workplace culture.

Recognising and accepting that barriers and bias genuinely exist in recruitment and beyond is an important first step. The accountancy profession is at the forefront of diversity and equality initiatives with a number of organisations already reviewing how they engage with schools and universities to widen entry routes, identify talent pipeline and make recruitment decisions to guard against adverse impacts of unconscious bias.

Here at ICAEW we are committed to taking the very best practice from our member firms and spreading this across the profession. As chartered accountants, we are used to measuring success and failures. Gender gaps should not be exempt, and to make a real, measurable, and sustainable difference to gender equality we must learn from each other's practices and innovations. Only then will we be able to assess how far we've come, and how far we have to go.

Sharron Gunn, Executive Director, Members, Commercial & Shared Services at ICAEW

Baroness Neville-Rolfe DBE CMG



The issue for debate is diversity and its relation to trust and performance. Trust – and I believe performance – are enhanced if customers and employees know

that they will be treated fairly.

I believe everyone should be respected, and should receive treatment according to their individual contribution, not according to preconceptions linked to their sexual and/or racial group, or any other characteristic. Here, however, I will concentrate on women because of my own background and my experience in the boardroom and, since 2014, as a Minister.

I will start by looking backwards. 150 years ago, women were excluded from large parts of economic life. The transformation since then has been incredible. Overall there are now 14.6 million women in work, more than ever before. In the last 6 years, the FTSE 350 has seen a tremendous increase in the number of women at the top levels of business.

However, 16 boards in the FTSE 350 are still all male; and women only count for 7 per cent of executive directors. So there is more to do.

For this reason it is vital that we shift our focus to the talent pipeline and seek improved representation for women in the executive layer. This will also help ensure a sustainable talent pool for both executive and non-executive positions in the future.

My first job was in the Civil Service Fast Stream. I chose the Civil Service over my other options partly because of its positive attitude to women. Young female graduates thankfully now have a much wider range of sympathetic employers from which to choose.

By improving the representation of women, an organisation gets the benefit of a diversity of perspectives closer to its customer base. Where there are several women at the top it changes the culture in a subtle and advantageous way – a single woman director can feel isolated and



Opinion | Central government, Transformation

Spending Review: A plan for greater productivity in some, not all, public services

By: Amy Finch | 25 Nov 15

To deliver the reform he wants, George Osborne needs better ways to measure public sector productivity

Today the chancellor wanted to deliver a message of "bold reform", against "retrenchment" and against what he called the "irresponsible" argument that "public spending should always go up, never be cut".

The strength of this message was however weakened by larger-than-expected projections on tax receipts which, instead of using to push for even greater public sector productivity, he used to take pressure off police budgets and continue the government's unsustainable subsidy to wealthy pensioners through the triple lock. As *Reform* argued in research published last week, the public sector needs a relentless focus on productivity to deliver sustainable, high quality services for a growing and ageing population.

Much of today's Spending Review presented ambitious plans for improving productivity.

"Developing better measures of productivity and public sector outcomes should be the next task for the chancellor and all secretaries of state. The Chancellor is right to call for "more" from public services but it must be more of the things that matter." Amy Finch, Public Finance, CMA Member 2015

NEW e-learning from CIPFA

REGISTER 🔰

16

uncomfortable, as I can vouchsafe personally.

As a Conservative I believe in choice. We should not expect all women's ambitions to be the same. But if women want to work, and the vast majority do, then access to flexible working conditions, a good boss, and a good statutory framework can make the difference between happiness and real difficulties.

Baroness Neville-Rolfe DBE CMG, Minister of State for Energy and Intellectual Property, Department for Business, Energy and Industrial Strategy

Tim Hames



Across the length and breadth of the UK, private equity and venture capital continue to demonstrate their vital role in the economy – providing an essential source

of funding and managerial expertise for innovative businesses at key stages of their growth journey. Over the past five years BVCA members have invested more than £27 billion in 3,900 companies across sectors as diverse as retail, media, energy, education and health. Notably, in 2015, 84 per cent of investments were directed at SMEs, and our industry now supports almost 400,000 British jobs.

Private equity and venture capital firms not only remain committed to generating growth, but doing so in a responsible and sustainable way. Indeed, the industry's hands-on, active stewardship of businesses and long-term ownership makes it well suited to integrating such an ethos. Firms of all sizes are now assimilating this deep into their day-to-day operations, with a recent survey by London Business School showing that over 90 per cent of the industry has Environmental, Social and Governance (ESG) policies in place. The implementation of these transformative strategies enables our members to both protect and create value by addressing issues such as employee relations, energy use, and consumer protection.

Acting responsibly, however, must be intrinsic not only to the companies we back, but private equity and venture capital firms themselves. An area in which our industry needs to improve its performance in particular is gender diversity. Whilst



Cloud 9: the future of

public procurement

Alexander Hitchcock William Mosseri-Marlio

March 2016

Aside from the obvious need to promote gender balance in our industry and the financial sector at large, it is important to look beyond the reputational benefits and recognise the value-add of the diverse perspectives doing so brings. The BVCA maintains that a commitment to gender diversity is fundamental to managing and investing in business responsibly. With this in mind, over the coming months and years we will focus our efforts not only on underpinning innovation and growth in business, but on ensuring that we better reflect the diverse society which ultimately makes up our investors, portfolio companies, and the communities they serve.

Tim Hames, Director General, The British Private Equity and Venture Capital Association

John McVay



Competition is often viewed as a bad thing – our children are taught early on that it's the taking part, not the winning, that counts. Fortunately this isn't true in the world of

TV where competition is what has driven the sector from strength to strength over the past decade. "Reaching Estonian or even South Korean levels of e-procurement expenditure could generate savings in the order of £10 billion."

What started as a cottage industry with producers working on a 'for hire' basis, is now a £3 billion global British success story – all because of the Terms of Trade. In place since 2004, the Terms of Trade are a legal framework of principles which govern the way public service broadcasters (PSBs) do business with independent production companies (indies). They enable indies to own the rights to their own TV shows and ideas which they are then able to exploit overseas.

The regulations have been an unparalleled success. Indies have delivered some of Britain's – and the world's – best loved shows, and because the framework is light touch, it has constantly adapted to new technologies and changes to the way people watch TV.

Having a wide range of indies who are able to operate internationally as well as between and across the main UK commissioning broadcasters has opened up a new dimension of competition in the UK market with indies working for many different networks. This brings multiple benefits to the market including: competition for the best talent and idea between networks: competition for creative talent across markets; resulting benefits of the 'cross-pollination' of ideas between broadcasters and markets; and the ability to derive 'best practice' approaches to commissioning and production by learning from a broader range of experiences.

The Government has also realised how competition in the TV sector can bring wide-ranging benefits both to the economy and to the viewing public. As the BBC Charter is renewed next year we will see all BBC programming (except news) open to both the newly-formed BBC Studios and to indies from 2017. This is a fantastic and unprecedented opportunity for indies to

Reform Journal / Autumn 2016 Opinion / Growth

pitch for both long running series, and develop new ideas for programmes, and is something that Pact has argued for for many years as it will stimulate competition in the sector and bring the best programmes to audiences, regardless of who makes them.

Government interventions that understand and work with the market are more successful, and the finely balanced framework that we have in the UK is a testament to that.

John McVay, Chief Executive, PACT

George Freeman MP

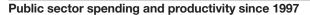


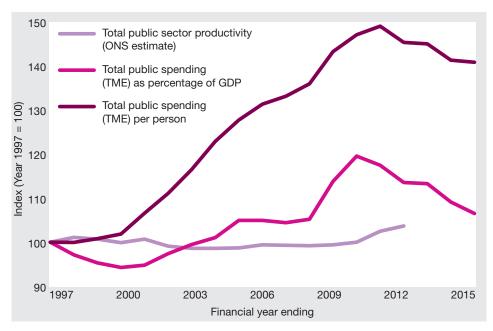
The Prime Minister has been clear from the start: Brexit means Brexit, and we're going to make a success of it. But to do that means taking every opportunity to boost

both our domestic and global competitiveness and productivity. In particular, it means tackling the assumption that only the private sector does innovation, while the public sector does administration. If we are going to thrive following Brexit, then that must change. We need our public sector to lead the world in pioneering 21st century public services. That is why the Prime Minister has placed industrial strategy at the heart of the new programme for government. We need our public and private sectors to be the most innovative and entrepreneurial in the world, and for our private and public sectors to work together in a stronger partnership for a more competitive, innovative and united UK. We must use every lever of government to make the UK the innovation capital of the world.

The good news is that we are starting from a position of strength. With the launch of the first ever Life Sciences and Agri-Tech Industrial Strategies in 2011 and 2013, we have already begun this work in the crucial areas of healthcare and agriculture. Using the power of data and technology, we can, for instance, stop prescribing the wrong drugs to the wrong people, and embrace a new world of data-led precision farming. Our Aerospace, Automotive and Digital Strategies are driving UK leadership in key sectors and technologies.

But there is so much further still to go. Whether it is thinking about how technology can revolutionise 21st century higher education, or make politics itself more responsive to the public we are all here to serve, the time for bold thinking is now. The twin opportunities we face of modernising our public services through innovation, and becoming a global exporter of high-value science technology and innovative products, are linked. By pioneering innovation in our





Source: Office for National Statistics, *Public service productivity estimates*, 2015; HM Treasury, *Publish Expenditure Statistical Analyses*, 2015; *Reform* calculations.

own economy we become a global test bed.

The only way we will achieve this is by liberating the best and the brightest in Whitehall to chart a new course for the UK in a post-Brexit landscape. We need to stop thinking of civil servants as bureaucrats. Every civil servant across Whitehall needs to be looking for opportunities to deliver 'more from less' and promote improved competitiveness, productivity and innovation if we are going to develop the UK's role as a global crucible of innovation. We all need to be entrepreneurs now.

Only by harnessing all our innovation and enterprise for the national good can we hope to succeed. Together, we can rise to it. We can, we must. We owe it to the next generation.

George Freeman MP, Chair of the Prime Ministers Policy Board

Rt Hon Matt Hancock MP



Thanks to the work of the last six years, the UK is one of the most digitally advanced countries on earth.

Record investment in our digital infrastructure has

delivered the best superfast broadband coverage of any major European economy. Nine out of ten homes and businesses now have access to superfast broadband while having the highest take-up and one of the fastest 4G rollouts. This has helped support our rapidly growing digital economy, which created 2 million jobs in 2014 and recorded £600 billion in online sales.

However, we are not complacent. As the Digital Minister, my goal is to make sure the UK builds the right infrastructure to maintain our position as a world leading digital nation.

This Autumn I'll be taking the Digital Economy Bill through Parliament – a significant milestone in delivering on our manifesto commitments to build a more connected and stronger economy that works for all.

It will see major improvements in broadband rollout; better support for small businesses; and better protection for our children on the internet.

We made a manifesto commitment at the last election to provide universal broadband. The Bill will legislate to give everyone the right to request access to a fast broadband connection via a Universal

Business & Economy

larch 7, 2016 12:01

 Home
 UK*
 World
 Companies*
 Markets*
 Global Economy*
 Lex*
 Comment*
 Management*
 Personal Finance*
 Life & Arts*

 Atica
 Asia-Pacific*
 Europe*
 Latin America*
 Middle East & North Africa*
 UK*
 US & Canada*
 Science & Environment
 World Blog
 Tools*

 Click here to try our new website
 — you can come back at any time

Government 'wasting billions on procurement'



"The British government is "wasting billions of pounds on procurement" because it does not know how much it spends on private sector suppliers, according to a leading think-tank." Financial Times, March 2016

Discover how our approach can help your business adapt

UK ECONOMIC DATA

Service Obligation. This Conservative Government will not allow people to be left behind in this rapidly evolving digital world. Whether it is running a small business, staying in touch with distant family, or helping children with homework, everyone should have a right to decent connectivity.

Reforms in the Bill will also drive investment in broadband. Communication providers will be able to have access to land on a similar basis to other essential utilities – a long overdue reform. This will make roll out quicker, and reduce the cost, especially in rural areas, making them more economically viable for competing providers.

The Bill addresses a number of important matters to protect intellectual property in the digital economy. It will bring criminal penalties for digital in line with those for physical copyright infringement, which has been a matter of concern for many individuals and businesses in recent years.

We committed in our manifesto to "stop children's exposure to harmful sexualised content online, by requiring age verification for access to all sites containing pornographic material". This Bill delivers on that commitment, introducing a new requirement in law for commercial providers to have in place robust age verification controls for online pornographic content accessed in the UK.

The UK's digital economy is growing fast and digital technology is transforming every sector and all aspects of our lives. We are committed to remain a world leader in all things digital and the Bill is an important step in realising this ambition.

Rt Hon Matt Hancock MP, Minister of State for Digital and Culture

James Heath



Digital presents enormous opportunities to the UK's creative industries: new routes to global markets, new collaborations and new forms of

creativity, to name a few. The UK starts with a comparative advantage based on our creative talent, tech-savvy consumers, and a thriving domestic sector alongside significant inward investment.

It is right for policymakers to be focused on securing the economic and industrial benefits of digital creativity, and on spreading these benefits across the UK. At the same time, we must continue to secure wider societal objectives. The success of our media ecology has made our culture and our democracy stronger.

If the UK gets its approach right, over the next decade, we can secure high levels of investment in a range of content; a production sector with a strong skills base, exporting even more than today; the universal availability of public service content with significant cultural and democratic impact; and competition between networks and platforms, with low barriers to entry for innovative services and low switching costs for consumers.

The BBC has a pivotal role to play in securing many of these outcomes. Policymakers do not have to choose between commercial success and the BBC. The two support each other.

The BBC's mission – to educate, inform and entertain – may be timeless, but it must be delivered in new and different ways. We need to modernise to preserve public service broadcasting. The BBC brings the country together, whether through the Olympics or Strictly, and remains the UK's most trusted news provider. We've proposed the creation of BBC Studios to ensure we remain one of the best programme-makers in the world. BBC Studios – and the removal of quotas associated with it – will increase the level of competition for the best creative ideas. The BBC will be open for business in the global export race, with BBC Worldwide as the world's largest non-American TV exporter. These plans for the next decade require a solid foundation. The new Charter and Agreement, now published in draft, will deliver the strong and creative BBC the British public believes in.

The Digital Economy Bill provides another opportunity to ensure our policy frameworks are fit-for-purpose - regulation where necessary, deregulation where possible. The Bill will repeal a loophole which has been used to exploit public service broadcasters' (PSB) content online without permission. Other areas of regulation need modernisation. Take the 'Listed Events' regime. Since the 1980s, successive Governments have sought to ensure that TV coverage of major sports events remains available to everyone. It has led to inspiring moments shared by us all. It's now at risk as the criteria for which broadcasters gualify are unfit for the digital era.

Another example is the PSB prominence regime. This gives the PSBs priority in the ordering of TV channels. In a broadcast world, the regime meets audience expectations and supports investment in UK programmes. However, the regime is not fit for a digital world, leaving out of scope online services like BBC iPlayer. This month, the Government modernised the licence fee to cover BBC on-demand services, in response to changing consumption patterns. A similar response is now required for PSB prominence.

James Heath, Director of Policy and Charter, BBC

Health

Reform comment

As the biggest public service by far, the NHS will always be part of Party leaders' thinking as they prepare their policy agendas for the autumn.

The NHS reform plan remains in place and, for the Government, its political leadership is stable following the reappointment of Jeremy Hunt as Secretary of State for Health. There is much that both Government and Opposition can be optimistic about. The *Five Year Forward View* set out the right vision of change: an NHS that prevents as much as it treats; that diagnoses early rather than waits; and that makes some traditional (and expensive) hospital care redundant.

Important independent reviews, by Sir David Dalton and Lord Rose, have shown the potential of chains of NHS hospitals and of more strategic NHS leadership respectively. Around the world, different health systems aspire to organise all of their efforts around the challenge of improving the health of whole populations over the long term. In the background, the constant advance of technology offers wonderful opportunities to engage citizens in their own wellbeing, to improve access and to make healthcare costs more sustainable.

A large part of this progress should be efforts by employers to engage their workforces in improving health and wellbeing. The benefits are wide and varied: healthier employees, more productive firms, higher rates of employment, lower demands for welfare. It is a key theme of *Reform's* 2016 Party conference events.

The Government should be concerned, however, about the difficulty of turning the conversation about reform into action. Writing earlier this year, the head of NHS England, Simon Stevens, hinted that NHS reform may actually be going backwards (when he pointed out that the share of the NHS budget being spent on traditional hospital care was rising rather than falling). The financial pressure on the NHS does not mean that the Service should focus on its immediate financial balance to the exclusion

of anything else. Just like any other industry, the NHS must be able to deliver today and lay the ground for tomorrow.

For the Opposition, the temptation (as always) will be to take the side of the forces of conservatism, and to argue that change is bad for the NHS and perhaps even against its spirit. It is hard to make that case given that reform should provide more healthcare for every given pound of the budget. The better approach would be to hold the Government to account for its progress towards reform and to propose new ideas where they are needed.



Andrew Haldenby, Director and Kate Laycock, Researcher



Sarah Ford



The Five Year Forward View set out a clear direction for the future of the NHS, including the need to get serious about prevention and the role employers can play

to help improve workplace health. The UK has an ageing population and a workforce with one of the longest working weeks in Western Europe. Technology also means that many people feel like it is always harder to turn off from work. As a result employers need to take more responsibility than ever before.

At Simplyhealth we want to ensure that there is a thoughtful, considered debate regarding how to address these issues. Partnering with *Reform* and key individuals allows us to discuss the challenges faced by employers, the government and health and care specialists. We see our role as connecting those organisations and shaping a national conversation with them about how to improve workplace health and the role that businesses in the UK can play.

There are a growing number of working carers who are often unsupported by their employers. Those organisations that are

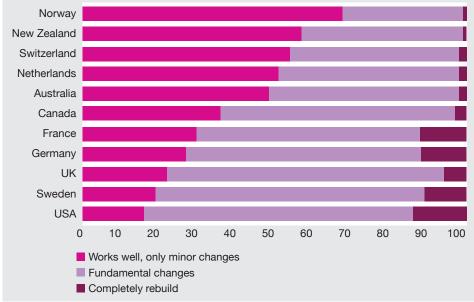
doing a great job support their employees with guidance, helplines and time off to sort through their needs. We believe employers should be considering how they can support their employees' health and wellness as part of their wider business strategy, rather than simply ticking the box and offering the minimum required.

Of course this means we also have to answer some of the bigger questions. For example, why can't someone who has a need to care for a relative have a statutory right to a limited time off work to support them, similar to maternity and paternity leave?

And, how do you incentivise employers to do more when recent increases in Insurance Premium Tax (IPT) increase the cost of health products for employers and consumers alike? Those people who are taking personal responsibility for their health and paying for products and services to fund their everyday health needs are being penalised by creeping IPT. IPT is designed as a tax on general insurance products; applying this to everyday health insurance products feels counterproductive and we strongly believe this needs to be addressed.

With a new government in place, now is the time to reshape the debate and consider how to help individuals take more responsibility for their own health and what





Source: The Commonwealth Fund, 'Primary Care Physicians in Ten Countries Report Challenges Caring for Patients with Complex Health Needs', 12 July 2015. role employers can play to support them, ultimately taking pressure off the state and public purse.

Sarah Ford, Director of Corporate Communications, Simplyhealth

Sir David Dalton



This is a time of great opportunity in English healthcare. There is wide agreement on the need to move from what can feel like a fragmented service towards seamless

provision across a whole patient pathway. The vision of a united service that works together to achieve better outcomes is a powerful one that will command strong public support.

In particular a new approach could unlock considerable value for money from within the service. Commissioning tends not to focus on value for money other than in a crude sense of overall comparative costs based on tariff or outcome of procurement. Commissioning also tends to measure just one episode of care in one part of the pathway, rather than the whole. As a result commissioners have an unenviable job of trying to piece together the offerings from multiple providers across various care sectors to make sense of what could be improved and where better investment would lead to better outcomes.

This is compounded by providers giving too much attention to the individual component of the service that their organisation provides rather than the wider interest of the patient or populations being served. Further, there are limited incentives for providers to deliver value for money if the recipient of the value gain lies further up or down the pathway. This is the concept of the 'fruit of the tree falling in someone else's garden'.

The better alternative may be to see the delivery of care along a pathway as a *supply chain*. In this model, a lead provider would be commissioned to provide 'total pathway care'. If different providers contributed to that pathway of care, they would share in the value which the pathway creates. Lead providers would compete rather than hold monopoly positions.

At that point, NHS England and others can move decisively towards payment by outcomes, with all of the benefits that would entail. For truly integrated care, primary care should join the group of total pathway providers.

In my review of NHS provision for the Department of Health, I concluded that England has been slow, compared to other countries, in exploring new patterns of provision such as hospital chains and management contracts. There is now a welcome spirit of change across the Service which will, in turn, develop the better services that patients want and deserve.

Sir David Dalton, Chief Executive, Salford Royal NHS Foundation Trust

Richard Power



Integral Medical Holdings (IMH) is a growing organisation providing support and management services to established general practices, allowing them to access

many of the efficiencies and benefits of scale that have previously not been accessible by individual practices. IMH also operates a community service delivery arm. As a multi-speciality care provider, IMH is today making a real difference in the world of primary care. Mindful of the transformation that is taking place across NHS primary care, IMH is already delivering 'disruptive innovation'; breaking down the barriers between the traditional borders of primary and secondary care.

At Dudley Urgent Care Centre and Out of Hours GP service, IMH has developed a service that provides the public with a convenient access points for their urgent care needs, and the Emergency Department with a streaming service that directs patients to the most appropriate service for their needs. The consequent improvement of the Emergency Service at Dudley Hospital in terms of its performance against the four hour target speaks for itself. In fact Dudley moved from 48th to 1st in the national rankings over the first six months of operation by IMH of the Urgent Care Centre.

Our success is not simply down to well thought-out corporate strategy, recruitment and training. Designing and delivering services that fulfil the ambitions of the *General Practice Forward View*, and the NHS *Five Year Forward View*, requires in depth knowledge of the sector, creative



nderstanding of what triggers their symptoms. Diabetics no longer need to prick their inger to easure their glucose levels—non-invasive wearables are now on the market.

thinking and – most of all – collaborative working. In developing the Dudley service, we have worked with, listened to and co-operated with patients, the local CCG, the Acute Trust which hosts us, NHS 111 service and the local Deanery to ensure that our service offering is 'fit for purpose'.

In designing a service, we consider the scope, the space available and the skillsets required. The GP-led Dudley service is complemented by a range of clinicians, including advanced nurse practitioners, clinical pharmacists and physician associates as well as GP registrars, who are provided with essential training and supervision.

Having developed a successful integrated model for the out of hours and urgent care service, we looked at ways in which the model could be applied in other standalone and co-located primary care facilities and services.

During recent winter pressures, we looked to mitigate the effect that residential and nursing care home admissions can have on acute trusts, ambulance services and emergency departments by providing telephone support, a proactive care regime, risk identification and an enhanced visiting service.

In Telford and Shrewsbury we are working collaboratively with acute trusts and the Emergency Care Improvement Programme (ECIP) to trial flexible solutions that help respond to increasing demand on their emergency departments. In our general practices we are introducing streaming models that allocate patients to the most appropriate clinician, allied health professional or adviser, to help ensure that GPs are able to concentrate on those who most need their care and intervention.

The lesson for us is that one size never fits all, and a locally appropriate solution needs to be agreed. If the fit isn't quite right, move fast to change it for the better.

Richard Power, Chief Executive, Integrated Medical Holdings

REFORM Reform

The NHS needs private sector involvement to survive, says @andrewhaldenby in The Times:



Owen Smith's ideas would cause the NHS to collapse Owen Smith yesterday exposed a "secret Tory plan to privatise the NHS". The Labour leadership candidate said the health service spends 8 per cent of its budget on private companies... thetimes.co.uk



This document is a must read for those involved in healthcare. reform.uk/wp-content /upl ...

Criminal Justice

Reform comment

Criminal justice services have been a key focus of reform over the past six years. From policing through courts, to prisons and probation, each service has, to differing degrees, been affected. Driven at first by an urgent need to reduce costs, the focus quickly became the need to overhaul outdated operating models.

Policing priorities rightly shifted towards high-harm and cyber-enabled crime. Police workforce numbers reduced dramatically, with forces seeking to deploy staff and officers based on a better understanding of demand. Technology was seen as a way of improving user satisfaction (channel shift), keeping officers on the frontline (mobile), and predicting future demand (analytics). Police and Crime Commissioners (PCC) brought new meaning the term 'policing with consent'.

Lord Leveson's review of court efficiency finally brought the much needed judicial stamp of approval for replacing archaic court processes. A common platform, video technology and digital case files all look set to reduce the time and paper involved in delivering justice. A partnership led by Sussex PCC Katy Bourne may actually see virtual courts implemented at scale.

Transforming Rehabilitation

extended probation support and oversight to short-sentence prisoners and Community Rehabilitation Companies took over probation services for all but the highest risk offenders. Innovation was supposed to follow, though it is too early to assess. 'Reform Prisons' will trial autonomy for governors and prison league tables have been proposed to drive performance across the estate (*Reform* has produced a framework for how these might be created).

The criminal justice landscape looks very different to that of 2010. But there is plenty for the new Government still to do. The new Justice Secretary has pledged to continue her predecessor's agenda of "radical reform". This must include understanding what 'good' in prison performance actually looks like. It also means ensuring better join-up between prison and probation services - evidence clearly shows that continuity of contact and consistent case management leads to a reduced likelihood of reoffending.

The digitisation of the criminal justice system must be turbocharged, with interoperability across the various services paramount. Flexibility must be built-in so that systems can be regularly updated as new software is developed. From recording crime to scheduling court hearings, from prisoners accessing services to victims tracking their case, digital should indeed be the default.

Collecting high-quality data and using it intelligently will also be key – to increasing efficiency, understanding performance, and predicting and managing demand. For those working within the justice system a shared set of data principles are needed – and adherence to them. Only then can the true potential of analytics be realised.

The new Government has a solid foundation to build, but there's a long way to go to deliver a truly modern justice system. It will mean cultural as well as operational transformation, but the prize is great.



Charlotte Pickles, Deputy Director and Head of Research and Eleonora Harwich, Researcher



\$

What we're reading this week (2/3): How do we make sure #prisons provide value for money? bit.ly/1VLc474 From @reformthinktank

Yvonne Thomas



It is almost two years since the Government announced that a broad mix of public, private and third sector organisations would spearhead its Transforming

Rehabilitation programme.

To tackle stubbornly high reoffending rates, the reforms extended community supervision to all offenders, committed to a nationwide network of resettlement prisons and a proper through-the-gate approach to rehabilitation. Fresh ideas and innovation brought in by new providers were expected to build on the excellent work the probation service provides day-in-day-out.

This partnership based approach is, I believe, the right foundation on which to build future reform of the criminal justice system. If we are going to succeed in transforming our prisons and if we are genuinely going to create a system that has rehabilitation at its core, then we need a big tent approach that draws on the skills of as large a pool of talent as possible.

As the Government has already stated, modernisation of the prison estate will have rehabilitation built into it from the start. Greater transparency and a focus on education, skills and outcomes will be crucial in meeting this goal and there seems to be a growing consensus around this agenda from many in the sector.

Where there is likely to be disagreement is over 'who does what'. On this front, I think we need to keep the focus solely on delivering the quality, innovation, efficiency and value for money the programme needs. This means bringing in the very best to design, build and operate the new prisons - be they public, private, voluntary or some form of partnership. Indeed, we know from the recent past that the presence of alternative providers has driven improvements in the public sector, helped to stimulate innovation (such as the use of in-cell technology and more flexible staffing models) and reduced cost.

Alongside this considerable programme

of reform, we also need to continue to drive the devolution of services closer to the frontline. It is at this level that opportunities to improve public protection, employability and skills for offenders, as well as joining up with other public services to deliver better value, is most achievable. There is huge potential in the advent of new Reform Prisons, which should look, again, at bringing together the skills of the public, private and third sectors to deliver real change and improvement to their existing estate and rehabilitation support.

I know this can work because through Purple Futures - an Interserve-led partnership - we have managed to bring together the very best of the private, third and social enterprise sectors. Our partnership includes the national housing charity Shelter; P3, the national charity providing social inclusion services to people with complex needs; and 3SC, a social enterprise that has built our exclusively voluntary sector supply chain which they now manage on our behalf. We are still in the early phases of our journey together and there are numerous

CHARLOTTE PICKLES APRIL 28 2016, I:01AM, THE TIMES

Reforming prisons is good for inmates — and the taxpayer

CHARLOTTE PICKLES

Reforming prisons is good for inmates - and the taxpayer Charlotte Pickles



NOT KNOWN

Cameron to promise a "nation of the second chance" starkest example of society's failure to do that.

'Those who claim that punishment is sufficient, that prison works", are ignoring the lives ruined by inmates who on release return to criminality currently some 45 per cent. They are also ignoring the inexcusable waste of taxpayers' money. If we n February the prime minister made a landmark are spending £34,000 a year on housing a prisoner, "prison reform should be a great progressive can should government not turn this captive audience speech had echoes of the compassionate conservinto law-abiding, contributing citizens?" Charlotte Pickles, The Times, April 2016

Inmates are disproportionately damaged individuals. They have been failed by the very people who should have set them on a positive path in life. Forty per cent of prisoners witnessed domestic violence and a quarter were in care, half have no school qualifications and nearly as many ...

challenges ahead, but I believe it is this type of approach can and should be a blueprint for the next stage of the rehabilitation revolution. Collaborative working, focused on outcomes and driving towards the same goal – transforming lives for the better.

Yvonne Thomas is Managing Director of Interserve Justice and Chair of Purple Futures

Katy Bourne



In 2012, when the first Police and Crime Commissioners (PCCs) were sworn in, the prevailing consensus was that the public had lost faith in policing. Few people outside of

Whitehall were predicting PCCs would shake-up policing and reshape the criminal justice system around the experience of victims and witnesses.

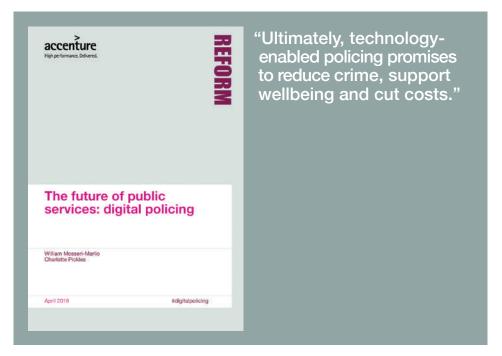
Four years later, PCCs are now firmly at the heart of local and national policing, and the legacy of the first term is not simply a demonstrably higher profile than Police Authorities, but improved transparency and greater accountability.

Overcoming organisational inertia can be slow, but by simply asking "why can't we?", and not accepting the status quo, attitudes and services can change.

As Chair of the Sussex Criminal Justice Board, I've made our collective ambition and service provision more effective than the sum of its parts.

Restorative justice (RJ) is working in Sussex because the 26 organisations involved in the partnership can all see the benefits for victims and offenders, and for society. The national re-offending rate is 26 per cent but for offenders reviewed after Sussex RJ interventions, the rate is 14.1 per cent with 100 per cent satisfaction for victims.

We all depend on 21st century digital technology to communicate, shop and conduct business, but the criminal justice system seems stuck in the 19th century. My office is piloting a Video Enabled Justice model for the South East that will save thousands of hours of police officer time and speed up the process of giving and transferring evidence. With video end points being installed and a virtual courts scheduling system in preparation, we are



redesigning the justice system around people and not around arcane processes, giving victims and witnesses access to swifter justice.

Continuous public engagement gives me excellent insight. My Sussex Youth Commission members spoke to 4,000 young people. They set up an Independent Youth Advisory Group which advised on changes to stop and search, the impact of policing the night time economy on young people, and contributed to the counterradicalisation strand of the national Prevent strategy.

After listening to more than 2,000 older people, my Elders' Commission presented their report in Parliament, focusing especially on fraud and financial abuse. As a result, I want to make elder abuse a recognised crime and make detecting and prosecuting offenders a priority for all criminal justice partners.

With funding challenges and evolving crime, police forces must adapt whilst ensuring communities feel adequately policed. PCCs can bring leverage and support through effective thoughtleadership, innovative funding allocations and robust scrutiny. We have seen that having a democratically elected, 'go-to' figure, means that the public now have higher expectations of policing and a strong, visible voice. My postbag and in-tray bear witness to the huge increase in public interest and the much-heralded policing by consent principle.

Often, the policing that the public see is not all the policing they get to keep them safe. Just as with our security services, we need the democratic oversight and accountability through PCCs so that local taxpayers can understand why and how they are policed.

The first term exceeded expectations, with many PCCs delivering improved services locally and influencing the criminal justice system nationally. With further blue light collaboration already underway in many areas, and with the Police and Crime Bill making its way through Parliament, it will be interesting to see how the PCC model evolves further.

Katy Bourne, Sussex Police and Crime Commissioner



From @ce_pickles: Localism is needed for a rehabilitation revolution



Charlotte Pickles: Localism is needed for a rehabilitation... All prison and probation services should be fully devolved to Police and Crime Commissioners.

Jason Thelwell



The Fire and Rescue Service has changed inexorably since 2004, yet from some perspectives it hasn't changed at all. Since 2004,

healthier lifestyles, building and housing

regulations and the introduction of fire prevention as a statutory duty for all Fire and Rescue Services have ensured that the number of traditional incidents have plummeted. This has saved many lives and also reduced the burden on other public services.

The prevention agenda is wide ranging and includes fall assessments, partnerships which enable flu jabs for the elderly, wider signposting and spotting of child protection issues – to name but a few.

It improves the life chances of young people with a range of joint initiatives such as the Duke of Edinburgh award scheme, fire cadets and the Princes Trust. All of these services enhance the fabric and longer term health of our communities and are well established across the sector. Satisfaction levels of the service are consistently high and demonstrate an ingrained appreciation and trust from the public.

The Service has enhanced public safety and embraced change. It responds to medical emergencies, flooding incidents, structural collapse, chemical incidents and other emergencies, some of which there is no funding or statutory responsibility.

The service however cannot be complacent. There are calls, quite rightly, to collaborate, to share back offices, to merge services, to reduce management costs and to tackle cultural issues, and it's fair to say that progress on these issues is patchy. For the service to retain its reputation, and standing in the eyes of the public, it must change.

In a service where 80% of its costs are staff, leaders in the service must push to reform working practices, done in a way that engages with and respects our workforce in the same way that the public does.

Firefighters should be, and in my experience are, prepared to have a broader role in our community: one of a multitalented, flexible, life saver.

A role which can provide resilience for other emergency services through existing skills and puts the needs of a changing community at its heart.

There needs to be a wider recognition that these roles go hand-in-hand with a wider access to other budgets, with a duty across all government departments to collaborate and to allocate funds to these life changing initiatives.

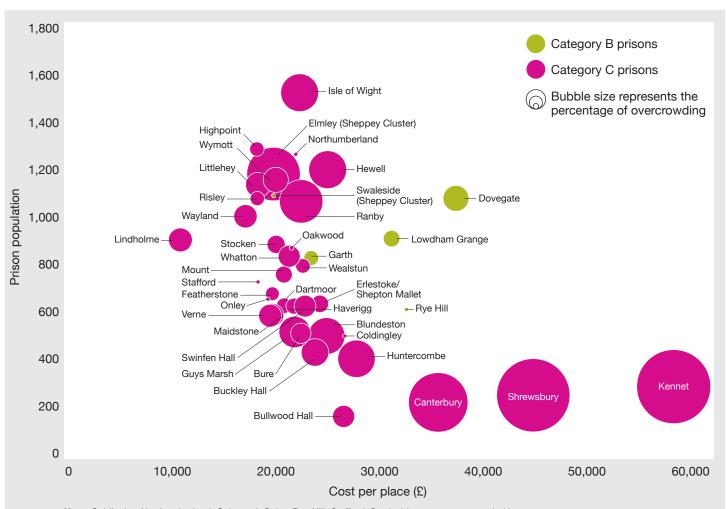
To enable this to happen our Fire and Rescue Service must play its part and be reflective of our community and ensure that ways of working enable recruitment from all groups, the service must introduce working practices that offer flexibility, resilience and prioritise the needs of the public.

Locally agreed working practices and roles which save more lives and continue to professionalise the service should be embraced and encouraged through different funding streams.

In many ways for the fire and rescue service of the future to prosper the more things that change, the more it can stay the same in the eyes of the public.

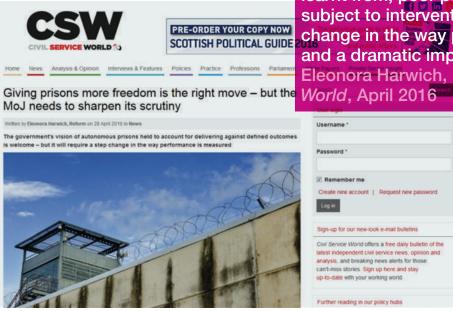
Jason Thelwell, Chief Fire Officer, Buckinghamshire Fire and Rescue Service





Relationship between cost per place, prison population and overcrowding

Note: Coldingley, Northumberland, Oakwood, Onley, Rye Hill, Stafford, Swaleside are not overcrowded in order for them to appear on the graph their percentage of overcrowding was artificially inflated to 0.3%.



'High performing prisons should be identified and learnt from, poor performing prisons should be subject to intervention. This will require a step change in the way performance is measured and a dramatic improvement in data quality." Eleonora Harwich, Researcher, Civil Service

Passw	ord *
🛛 Ren	iember me
Create	new account Request new password
Login	
	o for our new-look e-mail bulletins
Sign-u	-
Sign-up Civil Se latest in	o for our new-look e-mail bulletins rvice World offers a free daily bulletin of the dependent civil service news, opinion and
Sign-u Civil Se latest ir analysi	o for our new-look e-mail bulletins nvice World offers a free daily builetin of the dependent civil service news, opinion and s, and breaking news alerts for those
Sign-u Civil Se latest ir analysi	o for our new-look e-mail bulletins rvice World offers a free daily bulletin of the dependent civil service news, opinion and

Education, welfare and skills

Reform comment

For decades, education policy has been viewed as the key lever to improve the nation's social mobility, increase productivity, heighten skills and, relatedly, reduce reliance on the welfare state. Nurseries, schools, colleges, universities and work places are seen as the engines of this societal betterment, and have been the objects of successive reforms. Yet while public investment in these areas has increased, few have examined the impact of spending on outcomes, particularly who benefits and how - a question crucial to the legitimacy of any government action.

School reform is fundamental to the new Government's policy on social mobility. Disappointingly, the recent debate about selection has overshadowed the big question for school reformers this decade - that is, how policy should adapt to increasing numbers of academies within chains. Academy chains are gradually replacing local authorities as the main vehicle for school improvement. Reform's recent report and academy chain survey is the first research that illuminates how different chains operate. It recommends a radical reform to how schools are funded, commissioned and held to account to ensure every child, particularly the disadvantaged, benefits from school autonomy.

Early years education is also ripe for funding and entitlement

reform. The Conservative Party's manifesto committed to improve access to affordable childcare through a new tax-free entitlement and introduction of universal 30-hour free childcare, now backed by £1 billion more public spending a year by 2019-20. Yet concerns remain that the main 'winners' of this policy will be children of middle-class parents, who in general have jobs with set hours and are able to top-up the free offer through fees. On the flip-side, funding for further education (still largely consumed by young adults from disadvantaged backgrounds) has received real terms reductions for years. The introduction of new funding streams for apprenticeships are encouraging, but the myriad of different vocational qualifications marks a stark difference to the simplicity of the non-vocational route.

Furthermore, there is a growing body of evidence on the relationship between schooling, further and higher education, and earnings, and how this varies by a person's background. This is important to the social mobility agenda as, while unemployment has fallen below pre-financial crisis levels, the prevalence of low-pay, low-prospects employment, particularly among those from disadvantaged backgrounds, has remained. Policies to support progression in all workplaces will be important,

as will reform to services for those out of work. *Reform's* series of reports on employment support allowance examines how incapacity-related benefits should be restructured, and recommends retaining an outsourced model for employment support services to deliver sustainable job outcomes. A further *Reform* report has identified several barriers to commissioning effective employment services that must be removed.

The new Department for Education (DfE), with increased responsibility for tertiary education and skills, has much to consider. A first start must be to take a holistic view of spending on education and consider the evidence on outcomes. The DfE must also work with the Department for Work and Pensions to ensure skills and employment services are aligned. Reform to the supply and demand of education and employment services is key to unlocking the nation's potential.



Amy Finch, Research Manager and Head of Education, Ben Dobson, Researcher and Emilie Sundorph, Researcher



2. Follow

Disabled people face difficulties in getting into work unless ministers review welfare reforms says @reformthinktank publicfinance.co.uk /news/2016/07/w ...

Rachael Byrne



The case for a sustainable model for the health service, is everywhere. Leading politicians and health figures regularly speak on the topic. Yet among the

voices going unheard in the debate are those of social care providers with experience in the community.

Why? Because the immediate shortterm pressures of meeting today's issues are more pressing and detract from making the service ready for future challenges. A lack of money should not be a barrier to change but a catalyst for it. Perhaps this gap is unavoidable, wherever there is light there is also shade.

However, care and support services really do feel like they are finally stepping out into the light. Even NHS Chief Simon Stevens now publicly acknowledges that he cannot control his own cost base without a better solution on social care.

But being in the light alone will not enable social care to become more sustainable. We make 300 million visits to GP practices each year, compared to less than 25 million trips to A&E. So if GP services fail the NHS fails.

As the *General Practice Forward View* acknowledges we need to move away from a cure only approach. The new role ought

to focus on prevention, and the promotion of community-based care and support. The types of services we can deliver are the solutions.

NHS contracts for housing and support are increasing, but they are still far from universal. The present system must change if it is to survive. The NHS was supposed to be delivering this vision by 2020 under the *Five Year Forward View.* So why has progress to date been so slow?

The delay to the reform of the funding mechanism for supported housing has not helped. Supported housing is core to the delivery of care and support delivered in the community. Neither has the lack of monitoring of hard outcomes. As a sector we measure a lot, but still seem to lack the hard data we need to support our case. The NHS really struggles with that.

That case will be built around services like those we deliver in Easington, just east of Durham. The three year contract is commissioned by the local clinical commissioning group. Last year Home Group worked with 109 people on a one-to-one basis during 3,261 sessions across the three components of the contract.

Physical activity is one of three parts of the contract, alongside getting patients to volunteer and providing more direct support to 25 patients, which includes making sure a client attends medical appointments or signposting them to other services.

Using a 'social value calculator' developed by the independent organisation

Stepping up,

breaking barriers.

Transforming employment

outcomes for disabled people.

"Providers should be afforded real flexibility in their delivery model, matched by rigorous performance management and appropriate financial incentives to move all participants into work." HACT the average savings to the public purse range from £10,767 for a single person moving from unemployment to full-time employment or £36,766 from relief from depression or anxiety.

An unstainable care sector is nothing short of a financial catastrophe for our NHS. A sustainable supported housing sector is affordable if it's genuinely aligned with the wider health service and its objectives.

Rachael Byrne, Executive Director of Care and Support, Home Group

Barry Fletcher



The 2011 Localism Act has provided opportunities for local areas to negotiate devolution deals, where they receive greater autonomy in planning and

spending in return for commitments to increase the efficiency and effectiveness of public resources.

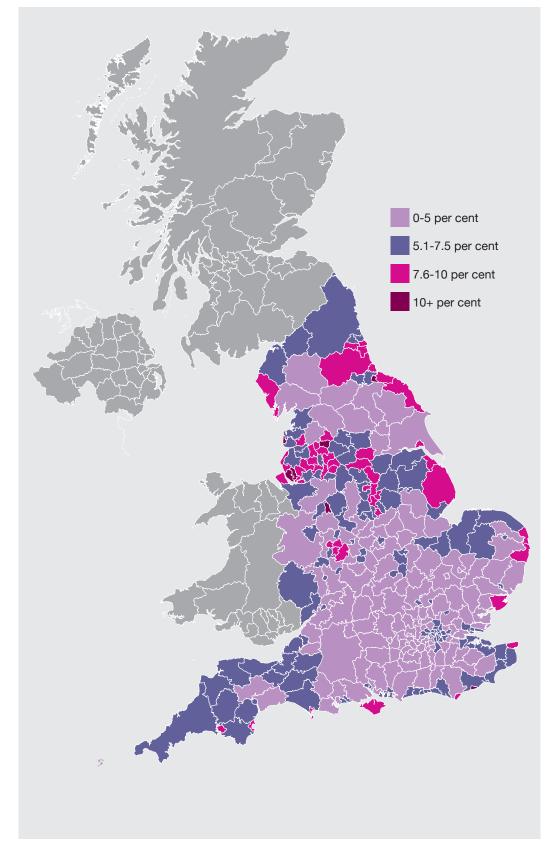
These deals have transformed the influence of localities – particularly those across the 'Northern Powerhouse' corridor. The design and delivery of public services has come into the scope of some deals, and this has fuelled debate about whether services are best commissioned nationally or locally.

Employment support services have been a focus, as the Government's current flagship service – the Work Programme – will soon be replaced by a successor programme, the Work and Health Programme.

In keeping with the deal-based approach of the former Chancellor, the Work and Health Programme will see a mixed model of local and national design. London and Manchester are expected to lead on the design of their own services and the selection of providers in their areas. Eight other areas will 'co-design' the service for their areas with the DWP. A national service design will apply in all other areas.

Will this mixed model mean some areas fare better than others and, if so, will disciplined national efficiency or local integration and flexibility win through?

One reason why local design of services is viewed as positive is the possibilities for improved service integration, enabled by



Proportions of the working-age population who are claiming out-of-work incapacity-related benefits in England, May 2015

Source: Department for Work and Pensions, 'Tabulation tool', Accessed December 2015; ONS, Mid 1851 to Mid-2013 Population Estimates for United Kingdom, 2014; ONS, 2012-based National Population Projections, 2013.



co-operative working between networks of local agencies who have a sense of ownership of the services. Better service integration is thought to encourage multi-agency support for service users with complex needs, a simplified offer for local employers, and avoiding service duplication.

However, there may be benefits to national-level design as it can enable economies of scale, make comparisons of programme performance between areas more consistent, and better meet the needs of larger employers. Critically, they avoid allegations of a 'postcode lottery'.

Given this, the debate around local versus national may represent a false dichotomy. National design does not necessarily guarantee scale, consistency and alignment, and neither does it necessarily prevent local service integration. Rather, it is the features of a programme which define its success more than the level at which it is designed. As a provider of nationally-designed employment services (including seven Work Programme contracts), and locallydesigned services (including the Greater Manchester Combined Authority's Working Well), Ingeus has identified several key features that enable employability services to be effective, irrespective of whether they have been designed in Whitehall or a Town Hall. These include:

> Embracing a high performance culture

- Investing in what is proven to work
- > Efficient, low-cost administration and

back-office automation to maximise frontline investment

- > High-quality managers and frontline staff
- Integration with other services including skills, health, housing and justice
- Clear, singular governance arrangements
- Consistent, universally understood
- definitions and measurements of success

Barry Fletcher, Chief Operating Officer, Ingeus UK

Neil Carmichael MP



For five decades, several policy initiatives, including Tony Crosland's circular 10/65 (comprehensive schools), Jim Callaghan's Ruskin College Speech, Ken

Baker's 1988 Education Act, Tony Blair's introduction of academies and Michael Gove's turbo-boost to the academies programme, have all amounted to incremental pushes against the local authority system. Today, local authorities are still in place but, in many cases, alongside multi-academy trusts (MATs) and, of course, individual academies. This raises two salient policy issues: the future purpose in education of the local authorities and the suitability of MATs to be deliverers of state education. If MATs are, ultimately, the answer, the still outstanding question of their 'supervision' becomes absolutely critical.

The Education Select Committee has already started our inquiry into MATs. The strap line for this work is, simply, 'what does a good MAT look like?' A straightforward question, definitely, but it has lots of interlocking facets. The Committee anticipated part of the answer to this in our first report The Role of Regional Schools Commissioners whose role to oversee improvements in the schools in their region, generate new sponsors for academies and look at convertor academies, clearly interfaces with the evolution of MATs. The role of MATs in the context of other intermediate structures, otherwise known as "the missing middle" is one of our key terms of reference. We'll also be looking at the number, size and geographical coverage of MATs.

We hear a lot about some of the well known larger trusts, linked with sponsors such as ARK and Harris. However, over half of MATs (over 500), currently have just one or two schools. This suggests that ambitious approaches to expansion may well run ahead of capacity.

An important discussion for the Committee during the inquiry will be the balance of decision making at the individual school level and the appropriateness of formal governance structures employed, and how a MATs expansion should be monitored and managed. These issues of accountability have been raised by many who have





COFFEE HOUSE MAGAZINE WRITERS BOOKS & ARTS PODCAST SUBSCRIB

Tory MPs press ministers on sickness benefit cuts

Isabel Hardman

"Reform's paper is interesting for a number of reasons, not least because lain Duncan Smith gave a speech on his own thinking on sickness benefits to the think tank last summer. But it also tries to answer some of the concerns of those who are worried about the proposed arrangements in the Welfare Reform and Work Act." *Spectator,* February 2016

 SPECTATOR

 BOOKSSHOP

 Exclusive reader discounts

 USS FREE delivery

 DESERVENCE

 DESERVENCE</td

submitted written evidence to the inquiry.

Sir Michael Wilshaw, Chief Inspector of Schools, who has led the way in setting out the challenges in education to government, set out the importance of getting the growth of MATs right in March this year. In an advice note to the Secretary of State he identified that many of the trusts manifest the same weaknesses as the worst performing local authorities, and in his view, offered many of the same excuses.

I share Sir Michael's view that one of the great challenges of our education system is the huge variation in regional performance. This applies both to local authorities and MATs. Given that the Academies movement was initiated principally to improve the performance of disadvantaged pupils, it is concerning that some trusts are underperforming. This inquiry seeks to identify examples of good practice and governance to allow MATs to prosper and contribute fully to addressing the challenge of raising the attainment of our poorest children.

Neil Carmichael MP for Stroud and Chair, Education Select Committee

Nick Bell



Our country's productivity is a third lower than the US, France and Germany and is holding back domestic growth, depressing wages and living standards. To address this we

need to find ways to create high-skilled, high-wage jobs and to build a skilled and resilient local workforce that can benefit from that.

While we are renowned for our 'blue chip' professional and financial services and our luxury consumer goods, half of the weaknesses in our productivity derive from structural economic shifts producing strong job growth in relatively low valueadded, low paid sectors of the economy. At the same time employers continue to grapple with skill shortages which act as a brake on their expansion and productivity, while over-gualified, over-experienced workers are not able to make use of the skills they have. Meanwhile the Joseph Rowntree Foundation has shown that many deprived areas have jobs on their doorsteps but their low employment rates suggest that their residents lack the skills to take advantage of them. Essentially our labour market is not functioning as efficiently as it should, so we need more effective brokerage between employers and local communities.

Investment in skills and employability

has an important part to play in fostering productivity growth in conjunction with other kinds of investments in innovation, connectivity and infrastructure. We know, for instance, that inward business investment is attracted to economies with a high skills base. Investments in new technologies will reduce in value unless they are supported by a human capital endowed with capacity, knowledge and ideas at both professional and intermediate levels in the labour force.

Greater emphasis and funding on vocational education and apprenticeships by the Government is to be welcomed, but there are still many challenges which remain. A shortage of STEM graduates, worryingly coupled with the few who do graduate with these skills often working in non-STEM jobs. We have deficiencies in the employability skills and 'workreadiness' of our school leavers, while sizeable proportions of our graduates are finding it difficult to find jobs requiring graduate-level skills. All – both young and old - require strong and supported career pathways. Those whose's school days are in the distant past are often forgotten about in the public policy discourse on this subject. This is despite 'in-work' progression being central to curbing the rising in-work benefits bill and taking families out of relative poverty.

To begin to address these issues requires central and local government to work together on industrial strategy and welfare-to-work policy. Local government needs to be empowered by Whitehall to reorient their local economic plans around increasing productivity – within business sectors and across local labour markets.

Careers and employment support services have a central role to play in supporting national and local strategies by increasing labour market participation; supporting in-work progression; supporting young people to transition into work; attracting and retaining highly skilled workers and addressing the mismatches between labour supply and employer needs.

The benefits are potentially huge in lifting families from poverty and low wages; in promoting business growth, and in doing so generating more business rate income that can be invested in public services; and producing benefits for the taxpayer by making savings from in-work and out-ofwork welfare benefits.

Nick Bell is the Chief Executive of the Prospects Group

Simon Collins



The UK's decision to leave the European Union revealed a fractured, socially divided nation. In many respects, this is nothing new. The UK is one of the least socially mobile

countries in the developed world and this

means we are not making the most of the talent the UK has to offer.

The Brexit vote has brought this urgent social issue to the fore. Class and inequality became two of the major contributing factors in one of the UK's most historic political milestones.

But it doesn't have to be like this. The Prime Minister has committed to doing everything she can to help anybody, whatever their background, to go as far as their talents will take them. Widening opportunity for all is clearly a priority for the Government as a matter of fairness and economic necessity. And this is a priority for KPMG too.

At KPMG we have been working hard to improve social mobility across the UK for over a decade. Whether it is our active leadership role in promoting the Living Wage and encouraging fellow businesses to follow suit, or driving the development of Access Accountancy with the Institute of Chartered Accountants in England and Wales. Introducing our own apprenticeship programme, KPMG360°, which provides a high-quality, alternative pathway to university. Or, most recently, joining forces with the Open University to offer employers a scalable and accessible apprenticeship service, following the Government's plan to introduce the Apprenticeship Levy. In all these areas we are making a lasting difference to the way in which social mobility is woven into the fabric of our firm.

Of course challenges remain - for us and our fellow stakeholders. For example, a technical education route is not yet viewed by young people as a valuable alternative to higher education. Improving diversity at the top of organisations is not always seen to be as important as it is at entry level, with less focus on progression and retention than on attraction and recruitment

So there is still some way to go. We recognise that improving social mobility is bigger than KPMG, the collective business community and indeed government. To really make a difference we must work together. We must work in partnership to heal the social contract between business, politics and society.

As one of the Government's leading social mobility employers, we call on you to join us in redressing the social inequalities that exist in the UK today and making the most of the UK's diverse talent.

Simon Collins, UK Chairman, KPMG

Damian Hinds MP



Over the last six years we have made great strides towards creating an economy that delivers for all. Our welfare reforms have promoted work, giving everyone the opportunity to

benefit from the dignity of a job. The National Living Wage and the raising of



organisation that both runs and is accountable for delivering something. Yet there is an inconsistency between the current schools policy and the approach taken by many other departments, driven by the chancellor's devolution revolution.

Amy Finch, Schools Week, June 2016

The Opposition could have more in common gy, and the chan s is pretty unusual at th

ore radical than her een party lines. The

lve two ten d involvement in education. Removing the requirement fo parent governors was the second-mos controversial issue of the education w



the income tax personal allowance ensure that those in work can take home a decent salary. There are over 2.5 million more people in work compared to 2010, income inequality has fallen, and 300,000 fewer people are now living on relative low income.

Despite all of this there is still more we must do. As June's referendum reminded us, not everyone feels they have benefited fully from the progress we have made. Whether they are struggling to find work or to increase their earnings, too many people do not feel that they have control over their lives and their futures. A hands-off response to this situation would clearly not suffice – as the Prime Minister has set out, this Government is committed to making sure the economy works for everyone, whatever their starting point and whatever their aspirations.

To achieve this we must do three things. First, we must remove those barriers that push people out of the labour market, or prevent them from entering it in the first place. As we set out in our manifesto, everyone should be able to enjoy the satisfaction and rewards of a decent job, regardless of whether they are an older worker who needs new skills, a mother with caring responsibilities, a member of an ethnic minority, a school leaver with no work experience, or someone with a health condition or disability. This remains our priority, and is one we have already begun to deliver on with the announcement of our forthcoming Work and Health Green Paper,

and the roll out of the Youth Obligation in 2017. Together these will help remove key barriers for those with health conditions and young people struggling to move into work.

Secondly, we must continue the benefit reforms we have introduced which promote work and support people to increase their earnings. Universal Credit has already begun to transform the welfare system by ensuring that work pays more than a life on benefits and that all claimants receive personalised support. Now, for the first time, we are also supporting claimants who are in low paid work to increase their earnings and progress in their careers. This is a radical new approach and one which the Work and Pensions Select Committee have described as ground-breaking.

Finally, I believe we must now turn our attention to ensuring that everyone is given a fair chance to achieve their fullest potential once they are in the labour market. This means working with employers to ensure progression opportunities are extended in sectors like care, retail, and hospitality. It means ensuring that those working in the 'platform economy' are paid fairly and have appropriate protections. And it means providing support to the low income self-employed so they can develop their business and improve their earnings potential.

These challenges are large and complex but with a strong labour market and the roll out of Universal Credit we have a unique opportunity to tackle them. It may seem a

daunting task, but with the support of
employers and the commitment across
government I am confident we can help
deliver a career for all.

Damian Hinds MP, Minister of State for Employment

	REFORM
Academy chains unlocked	
Amy Finch Ben Dobaion Elaine Fischer Alasdair Riggs	

"Reform recommends a new approach to the funding, commissioning, oversight and accountability arrangements for academy schools to help them reach their potential."

Reform at the Party Conferences 2016

Labour 2016

Monday 26 September

Roundtable

The Rt Hon Lord Hunt of Kings Heath,

Shadow Spokesperson for Health The "win win": should employers play a greater role in employee healthcare? Hilton Hotel 08.00 - 09.00 Kindly sponsored by Simplyhealth (By invitation only)

Roundtable

Seema Malhotra MP, former Shadow Chief Secretary to the Treasury

An inclusive economy: a new era of investment and growth Hilton Hotel 10.30 - 11.30 Kindly sponsored by London Stock Exchange Group (By invitation only)

Conservative 2016

Monday 3 October Roundtable Gavin Barwell MP, Minister of State for Housing and Planning and Minister for London The future of supported housing: finding a fair and affordable solution Jury's Inn 09.20 - 10.20 Kindly sponsored by Home Group (By invitation only)

Roundtable

George Freeman MP, Chair, The Prime Minister's Policy Board Excellence in public service delivery Jury's Inn 13.00 - 14.00 Kindly sponsored by G4S (By invitation only)

Roundtable

Baroness Neville-Rolfe DBE CMG, Minister of State, Department for Business, Energy and Industrial Strategy

Diversity in business: how it improves performance and trust Jury's Inn 14.30 - 15.30 Kindly sponsored by ICAEW and Deloitte (By invitation only)

Roundtable

Philip Dunne MP, Minister of State for Health The "win win": should employers play a greater

role in employee healthcare? Jury's Inn 14.30 - 15.30 Kindly sponsored by Simplyhealth (By invitation only)

Roundtable Sam Gyimah MP, Parliamentary Under Secretary of State for Prisons and Probation

Transforming lives: prisoner rehabilitation Jury's Inn 15.30 - 16.30 Kindly sponsored by Interserve (By invitation only)

Tuesday 4 October

Roundtable Damian Hinds MP, Minister of State for Employment Delivering a career for all: creating opportunities for highly skilled and highly paid employment Jury's Inn 11.00 - 12.00 Kindly sponsored by Prospects (By invitation only)

Roundtable

The Rt Hon David Gauke MP, Chief Secretary to the Treasury

Long-term saving for long-term investment Jury's Inn 12.15 – 13.15 Kindly sponsored by Prudential (By invitation only)

Roundtable

Margot James MP, Parliamentary Under Secretary of State, Minister for Small Business, Consumers and Corporate Responsibility Women in business: securing the talent pipeline, improving the base line Jury's Inn 15.00 - 16.00 Kindly sponsored by BVCA (By invitation only)

Fringe

The Rt Hon Matthew Hancock MP, Minister of State for Digital and Culture UK media fit for the digital era Room 114 – 116, Jurys's Inn 15.00 - 16.00 Kindly sponsored by BBC



T 020 7799 6699 info@reform.uk www.reform.uk

Reform

London SW1P 3LT