



# The State of the State 2021-22

Towards a new public sector normal

# Contents

Foreword	3
Executive Summary	4
The coronavirus legacy emerges	11
Building back better together	20
Levelling up people and places	28
The UK, Europe and the World	33
The year ahead	39
England's regions	49
Northern Ireland	54
Scotland	62
Wales	70
Contacts	77

# Foreword

## Welcome to *The State of the State 2021-22*.

This year marks our tenth annual report on government and public services. Back in 2012, Deloitte and Reform set out to publish a regular snapshot of what's happening in the public sector. We knew that government operated in a fast-paced environment, but we didn't know how fast-paced the following decade would be.

Our first *State of the State* tracked the effects of austerity as government sought to restore the public finances in the wake of the financial crisis. Four years later, the public voted to leave the European Union and our commentary described how EU Exit dominated the bandwidth of Whitehall and the devolved governments. Then, as our current decade began, the COVID-19 pandemic hit and our report paid tribute to the public sector professionals who acted fast to protect lives, mitigate economic damage and maintain our way of life. Looking back, *The State of the State* has reported on a decade in which one unprecedented event followed another.

This year, *The State of the State* finds government and public services dealing with both COVID-19

and its wider effects. As vaccinations, testing and other measures are allowing some normality to return to our lives, the public sector is itself finding a new normal. In many cases, that means dealing with some very challenging legacies from the last 20 months. In others, it means picking up the momentum on policies that were side-lined as the sector mobilised to battle the pandemic. All of this will be made more achievable with the additional funding made available in Spending Review 2021 – but government will still face tough funding choices in the years ahead, and taxpayers will expect to see a return on their investment.

As ever, *The State of the State* blends an exclusive citizen survey with commentary built on interviews with fifty of the most senior figures in government and public services. This year, we have additionally spoken to business leaders on their experience of working alongside the public sector for an even richer view. We are incredibly grateful to everyone who shared their experiences and shaped this report.



**Jayson Hadley**  
UK Government & Public  
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**Charlotte Pickles**  
Director  
Reform

# Executive Summary

## *The State of the State 2021-22*

Since March 2020, the UK's governments and public services have led radical, exhaustive and dynamic responses to the coronavirus pandemic. This year's *State of the State* finds them dealing with both the pandemic and its wider repercussions as a 'new normal' emerges.

Looking beyond the pandemic, the UK Government has set out its ambition to 'build back better' through infrastructure investment, levelling up economic outcomes across the regions and revitalising the UK's place in the world. At the same time, the policies and politics of Northern Ireland, Scotland and Wales continue to diverge from Westminster and Whitehall as well as each other. *The State of the State* explores all of these developments through two forms of exclusive research.

To understand public attitudes, Deloitte and Reform commissioned Ipsos MORI to survey more than 5,000 people on their views of government and public services. To bring a public sector perspective, we interviewed more than 50 senior figures including permanent secretaries and

other senior civil servants, police chief constables, council chief executives, NHS leaders, business leaders and elected representatives past and present. Together, this blend of quantitative and qualitative data provides a view of the state according to the people who depend on it and the people who run it.

Our research points to a public sector that is finding a 'new normal' as the UK's pandemic response becomes embedded into daily life. That doesn't mean a return to pre-pandemic times, but a new era in which the sector is dealing with both COVID-19 and its pervasive impact on society, government and public services. Spending Review 2021 provided an unanticipated boost to budgets that will amplify the sector's response, and as a result it could be entering a new age of opportunity. The combination of additional investment and applying what has been learned through the pandemic could allow government and public services to become more agile in their delivery, more responsive to the citizen and more engaged with partners in other sectors.

Our findings are presented across five themes:

- 1 | The coronavirus legacy emerges
- 2 | Building back better together
- 3 | Levelling up people and places
- 4 | The UK, Europe and the world
- 5 | The year ahead



# 1| The coronavirus legacy emerges

After 20 months of extensive economic intervention from government, our report finds growing public concerns about tax and spending. At the same time, the pandemic's long-term legacy has come into clearer focus across public services. Key insights are:



## **The pandemic has fractured public attitudes to tax and spending**

Throughout the austerity years of the last decade, six in ten of the public consistently backed greater levels of government spending. This year's survey finds that support for higher spending is finely balanced, perhaps as fears over the economy and the cost of the pandemic alter the public mood.



## **Public confidence in government and local services vary by administration, sector and capability**

Our survey found significant variations in public confidence between different layers of government and public services. People in Scotland and Wales are more likely to trust their devolved government while people in Northern Ireland, perhaps still reeling from the Executive's lengthy absence, report lower levels of confidence.



## **The long term impact of coronavirus on the public sector is now emerging**

Officials told us about a myriad of issues caused by the pandemic including major backlogs and exhausted staff. Looking ahead, NHS leaders fear that public trust in the health service could wane as people face long waiting lists for treatment.



## 2| Building back better together

Beyond the pandemic, the UK Government has set out plans to 'build back better'. Our survey found the public's expectations are more modest than the government's ambitions but that leaders across public and private sectors agree they must work in partnership to deliver a full societal recovery.

Key insights are:



### **The public expects the UK to build back, but not necessarily better**

In spite of substantial government investment across the country, much of the public expects the UK to remain the same in the years ahead. Half are pessimistic about the future of the Union between England, Scotland, Wales and Northern Ireland. Most of the public's optimism surrounds the UK's ability to innovate, which chimes with extensive measures to support innovation in Autumn Budget 2021.



### **The new relationship between government and business will be vital to build back better**

Leaders in government and business told us that the relationship between the two sectors was reset as they came together to deal with the pandemic. Both sides agree that they must deepen their partnership and collaborate as government alone will not be able to build back better.



### **As health spending remains a priority, officials are concerned about funding for levelling up and net zero**

Public sector leaders welcome the health and social care levy as a means for increasing spend. However, some worry whether ever-increasing levels of funding for health will affect the levels of investment needed to meet the ambitions of levelling up and net zero.



### 3| Levelling up people and places

The UK Government's defining ambition is to 'level up' economic opportunities across the regions. Our survey explores the factors people see as key to levelling up life chances, while our interviews put a spotlight on the importance of local approaches to make change happen.

Key insights are:



#### **Levelling up is more about people than place**

Our survey found the public believe the biggest factors that influence someone's ability to get ahead are their skills and employability. The region in which people live is seen as the fifth most important factor, suggesting that the public sense levelling up is as much – if not more – about people than place.



#### **One size of levelling up does not fit every place**

People living in villages, towns and cities have different views on the most pressing local improvements. Those in cities are most concerned about housing, people in towns want access to better jobs and those in villages call for improvements to transport and telecommunications.



#### **Levelling up has become a new policy lens, but local officials call for devolution to make it happen**

While some commentators continue to debate definitions for levelling up, local public sector leaders are already using it as a lens through which to rethink their services. Officials across the sector argue that widescale devolution to councils will be a prerequisite for success.



## 4| The UK, Europe and the world

The Government's 'Global Britain' initiative aims to re-establish the UK's post-Brexit international profile. Our survey found the public has clear views on what it wants the UK to be known for around the world, while our interviews with officials unpicked some of the complex factors at play.

Key insights are:



### **The UK may be known for its history, but wants to be known for science and tackling climate change**

Under the banner of 'Global Britain', the Government wants to re-energise the UK's profile in the world. Our survey found the public believe the UK is known for its history, but they want it to be known for science and leading the journey to net zero.



### **Brexit is pivoting towards opportunities but implementation is far from over**

Officials told us that they are increasingly optimistic that Brexit will deliver economic opportunities, although many stressed that implementation is only half way complete. Business leaders told us that their views are unlikely to ever align with political rhetoric around leaving the EU.



### **The UK's international reputation needs to emphasise its soft power**

Officials are energised by the 'Global Britain' vision, but some argue its political rhetoric is greater than the resources available to deliver on its ambition. Most suggest that the UK's soft power needs to drive our international reputation.



### **Devolved governments have grown in confidence amid some strained relations with Westminster**

COVID-19 has seen the devolved governments gain stature as they shaped their own responses to the pandemic. However, our interviews suggest tensions have emerged in the past year around intervention from the UK Government.



## 5| The year ahead

The pandemic has caused fundamental shifts in public attitudes and in the way government operates. Our survey and interviews explored how society and our public sector could find their 'new normal' in the year ahead. Key insights are:



### **Health and social care dominate spending priorities, but the public has high hopes for the green economy**

When asked what the government should prioritise in spending plans to recover from the pandemic, the public's top choices are health, social care for older people and social services for children and vulnerable adults. The fourth priority is housing and the fifth - even higher than policing - is investment in green technologies.



### **The public want social care reform to focus on personalisation, professionalism and affordability**

As the government prepares to transform social care, our survey asked people what quality care looks like. The public want reform to prioritise personalisation, professionalisation and affordability.



### **COP26 is a major step on the road to net zero as the sector starts to define a roadmap to 2050**

As COP26 gets underway, officials are beginning to consider what the transition to net zero could mean for their agencies. The Government's net zero strategy is a significant step towards a roadmap that departments can now interpret against their own agendas.



### **As digital transformation progresses at pace, many public bodies are prioritising legacy IT issues**

While some public sector leaders are exploring the potential of new technologies like artificial intelligence, most want to get the basics right first. In many cases, that means dealing with legacy IT issues which can be expensive and is sometimes seen as unglamorous.



### **The year ahead will redefine the future of work in government and public services**

In the absence of a single, sector-wide consensus on returning to offices, public sector leaders are making their own local decisions on hybrid working. Some fear remote working is responsible for a slip in standards, while city authorities are grappling with tensions around city centre economies. Many believe that the year ahead will essentially come to define the future of office environments in the public sector.

## Methodology

*The State of the State* blends quantitative and qualitative research to provide a rich view of the UK public sector.

For the report's citizen survey, we commissioned Ipsos MORI to carry out an online survey of 5,792 UK adults aged 16-75. Fieldwork was conducted from 9 – 14 September and the results have been weighted to reflect the known profile of the adult population of the UK.

For our qualitative data, Deloitte interviewed more than 50 senior figures in government, public services and business between July and October 2021. They were drawn from a range of public services, departments, agencies and functional areas of the public sector to provide a diversity of perspectives. Please note that the views expressed by the people we interviewed are not necessarily the views of Deloitte or Reform.



# The coronavirus legacy emerges

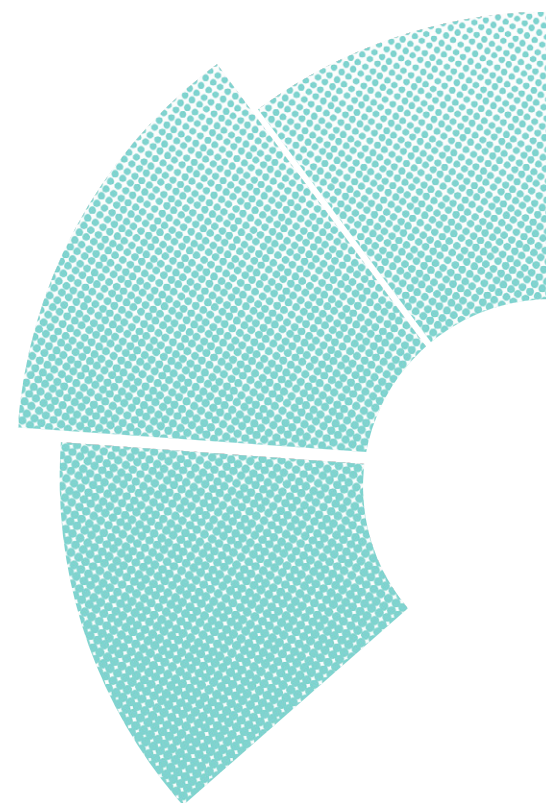


# 1 The coronavirus legacy emerges

The coronavirus pandemic has not only taken a tragic toll on UK lives, it has permanently changed the country. Our research finds that government and public services face a short-term legacy of exhausted staff and a longer-term legacy of backlogs along with pent-up demand. At the same time, they are embedding new ways of working discovered in the past 20 months that could lead to a more agile, responsive and connected public sector. For the public, fears over the economy and household incomes appear to have shifted attitudes on tax and spending towards prudence.

In this section:

- The pandemic has fractured public attitudes to tax and spending
- Public confidence in government and local services varies by administration, sector and capability
- The long-term impact of coronavirus on the public sector is now emerging



# The pandemic has fractured public attitudes to tax and spending

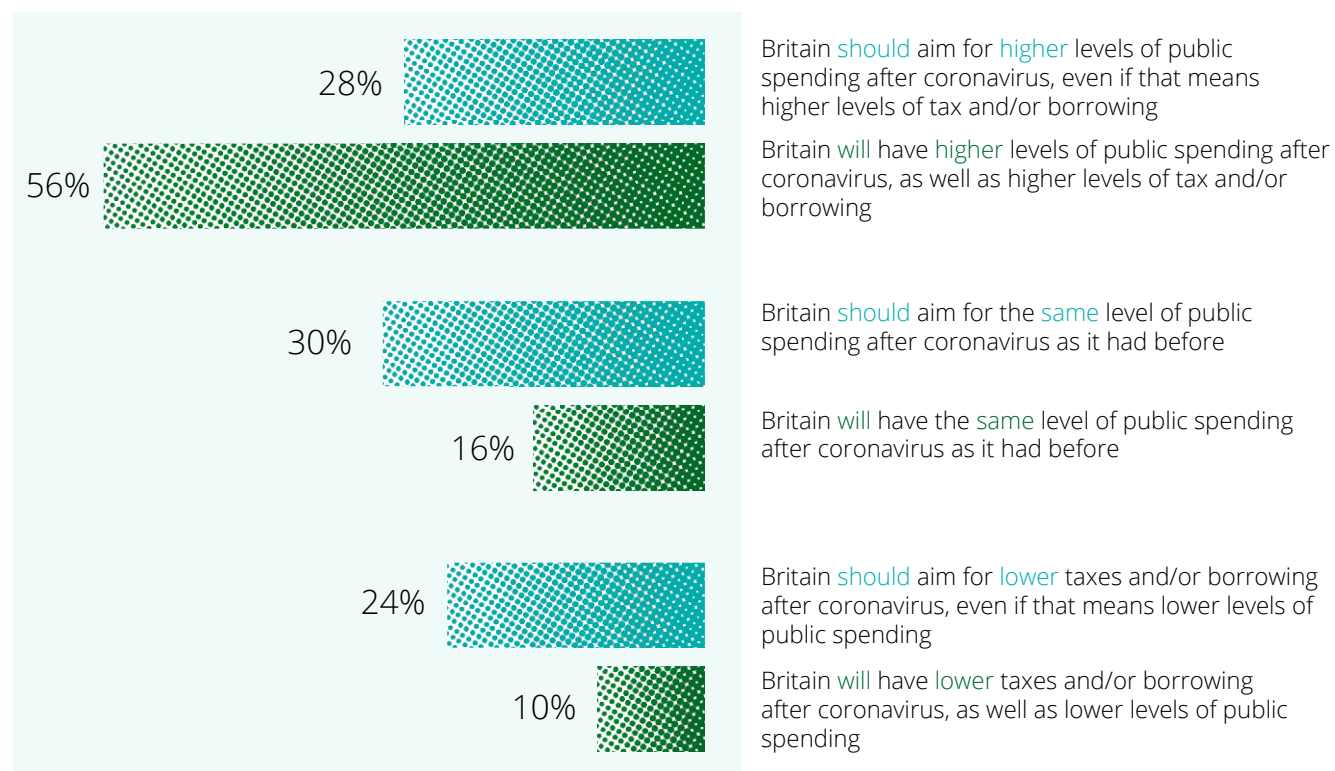
Throughout the austerity years of the last decade, our *State of the State* surveys showed that the majority of the public wanted to see higher levels of public spending. They were also prepared – in theory at least – to pay more tax to fund it.

This year, our survey finds the public split evenly between 28 per cent who would welcome higher levels of tax and spending, 30 per cent who would like to maintain the same levels as before the pandemic, and 24 per cent who would prefer lower taxes and lower government spending.

Regardless of those preferences, 56 per cent of the public certainly expect to see higher spending and higher taxes beyond the pandemic. That's up from 48 per cent last year.

Overall, this means the majority of the public expects spending to go up, but most would prefer it did not.

Thinking to the future after the coronavirus crisis has eased, and how it compares with the period before the coronavirus started, what do you think should be UK government policy for the balance between public spending and the levels of taxation and public borrowing? And what do you think will happen to the balance between public spending and tax and/or public borrowing in the UK in the future after the coronavirus has eased, compared with before the coronavirus started?



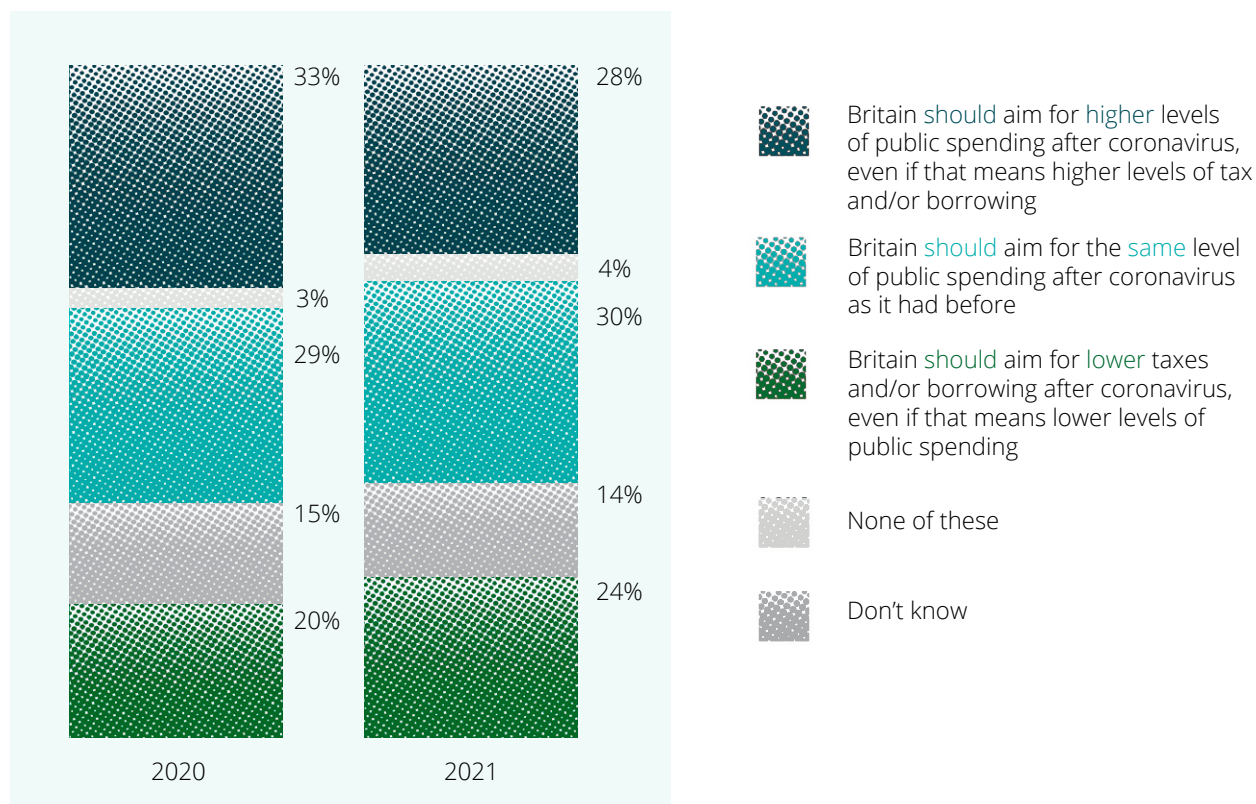
Base: 5,792 Online UK adults 16-75  
Don't know and None of these removed

This split in attitudes to tax and spend appears to have deepened over the last year. As this chart shows, there has been a drop in the those wanting higher spending and a rise in those wanting tax cuts since our last survey.

It may be that government's extensive economic intervention during the pandemic and concerns over household incomes have combined to make people less bullish about moving towards a higher tax and higher spending environment.

That could put public sentiment at odds with the spending boosts announced in Autumn Budget 2021 – if only in the short term. In his October 2021 Budget speech, the Chancellor made clear he aims to reduce taxes by the end of this UK Parliament which could well align more with public opinion. As one political leader in our research interviews predicted, 'Treasury orthodoxy will eventually reassert itself'.

Thinking to the future after the coronavirus crisis has eased, and how it compares with the period before the coronavirus started, what do you think should be UK government policy for the balance between public spending and the levels of taxation and public borrowing?



Base: 5,792 Online UK adults 16-75

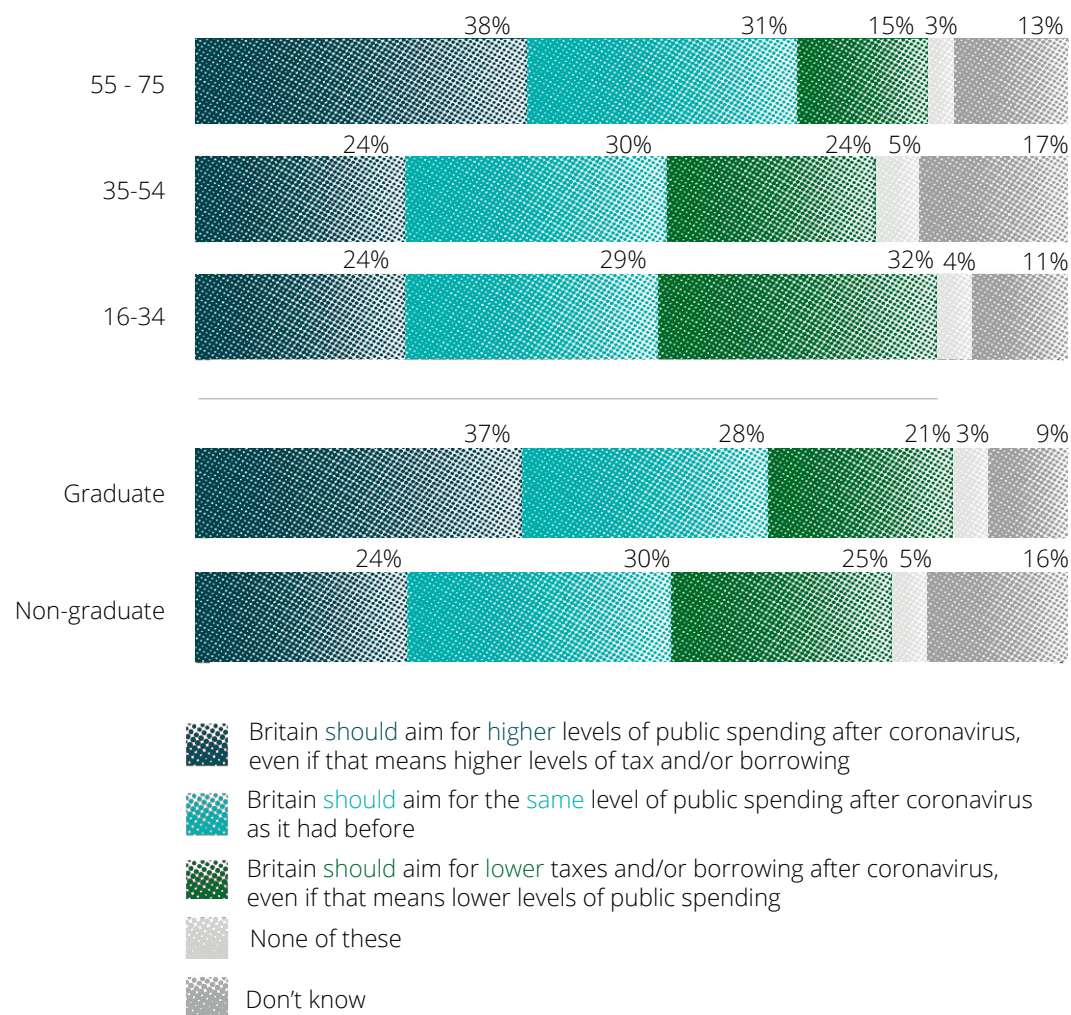


Digging deeper into the demography of our survey data shows a significant difference in attitudes by education, age and region.

As this chart shows, people aged 55-75 and graduates are more likely to back a shift to higher taxes and higher public spending.

Views also differ by region – please see [here](#) for a regional perspective on the data.

Thinking to the future after the coronavirus crisis has eased, and how it compares with the period before the coronavirus started, what do you think should be UK government policy for the balance between public spending and the levels of taxation and public borrowing?



Base: 5,792 Online UK adults 16-75

# Public confidence in government and local services varies by administration, sector and capability

Our citizen survey found significant variations in levels of confidence in government between the UK's administrations. This chart shows how much each nation trusts its different layers of government across a range of capabilities. For this survey question, people in Northern Ireland, Scotland and Wales were asked about their devolved administration. All respondents, including those in England, were asked about the UK Government.

Overall, the survey finds that people in Scotland and Wales trust their devolved governments more than the UK Government, likely driven by immediacy, relevance and their sense of identity. People in Northern Ireland, perhaps still reeling from 590 days without an Executive, show lower levels of confidence.

Looking at individual issues, some of the higher levels of public trust overall are around using technology, treating public sector employees with respect and taking care of the public's data. At the other end of the scale, the public have a relatively negative view of government's ability to deliver major projects on time and on budget.

To what extent, if at all, do you trust .... to...?



Base: 5,792 Online UK adults 16-75

Figures shown are % net trust (great deal/fair amount minus not very much/not at all)

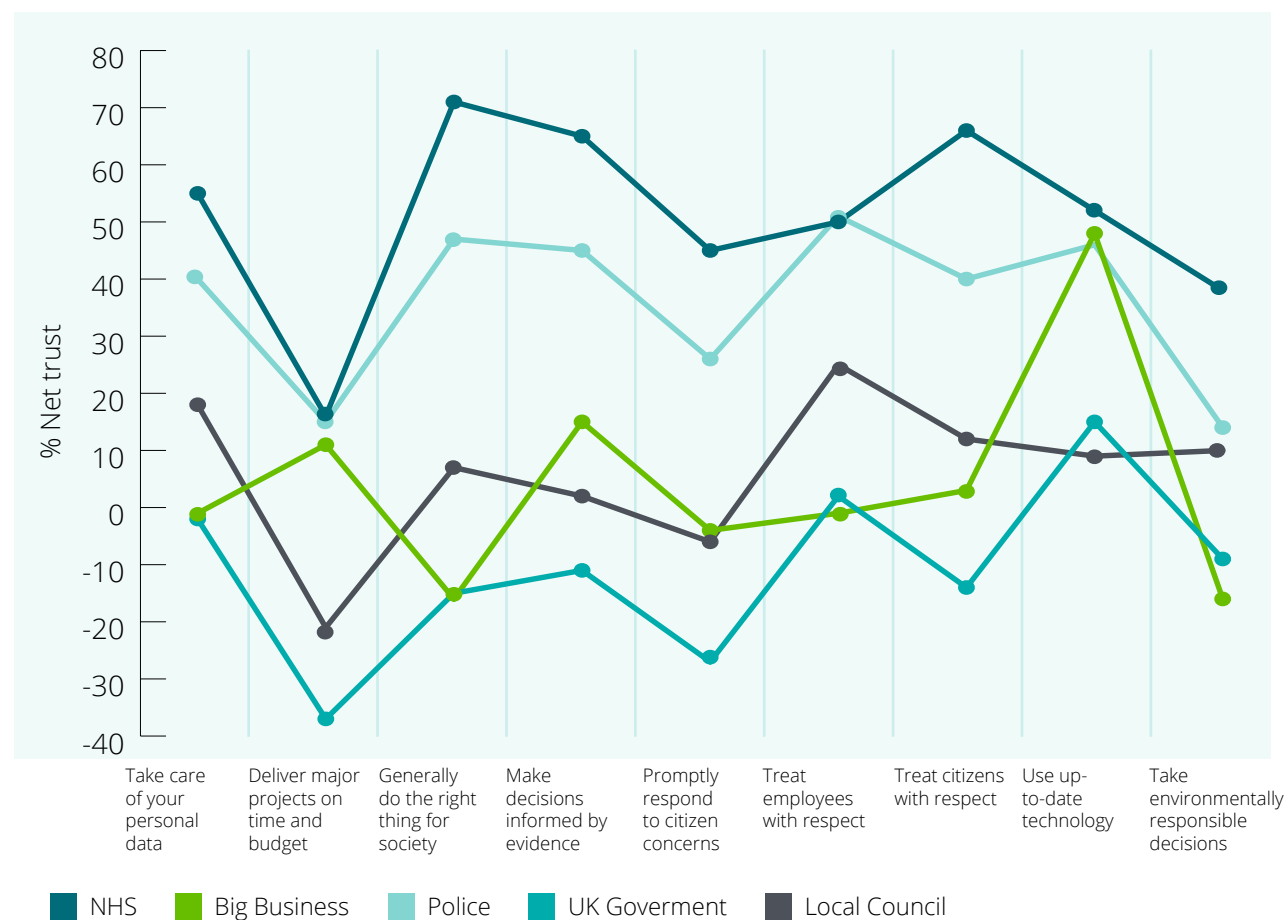


Trust in local services is relatively buoyant – especially in the NHS, and especially to do the right thing for society. This chart shows the high levels of public trust in the health service, followed by the police and then councils. UK Government, perhaps more remote to most people than our local services, is less trusted across most criteria.

Big business is also included in this chart as a reference point. The data suggests that people trust businesses, the NHS and police forces to use up-to-date technology to a similar degree. It also suggests they compare in their ability to deliver major projects, so the public do not see the private sector as significantly better. The public is less trusting in central and local government on both criteria.

These measures provide insight for public bodies that need to engage the public, whether to position themselves as attractive employers, boost compliance, stimulate democratic engagement, encourage data submissions or any other form of interaction.

To what extent, if at all, do you trust .... to...?



Base: 5,792 Online UK adults 16-75

Figures shown are % net trust (great deal/fair amount minus not very much/not at all)

# The long-term impact of coronavirus on the public sector is now emerging

Last year's *State of the State* explored the immediate effects of coronavirus on ways of working in the public sector. This year, our interviews with public sector leaders found that their views on its legacy have evolved after another year battling with the pandemic.

Officials from across the public sector told us about a myriad of issues that will need to be resolved in the years ahead, ranging from daunting backlogs in the NHS to helping students on vocational courses catch-up on missed practice. Police leaders warned that a surge in fraud is increasingly exploiting the public's shift to doing more online.

Leaders in all parts of the public sector told us about the pandemic's impact on staff wellbeing. Many are exhausted after 20 intense months, and especially those on the frontline.

In the NHS, leaders told us they fear public trust will wane in the years ahead as patients become frustrated by waiting lists caused by the pandemic.

**“ COVID's legacy on the NHS is all the harm it's done. You can't underestimate the trauma that staff are left with when they come off a shift and can't even remember how many people died. Some have lost colleagues. That trauma will be a long-lasting legacy.**

NHS Clinical Commissioning Group Chief Executive

**“ Fraud is on the up as a consequence of the pandemic because we've seen so much more online shopping, romance fraud because dating had to be more online and investment fraud because people have been saving money and it's been burning a hole in their pockets.**

Chief Constable

**“ The NHS backlog is impossible to deal with and it's going to affect people's trust in the NHS. If you're in agony and you're waiting 18 months for a hip operation, your sympathy is going to run out.**

NHS Non-Executive

Source: Research interviews with 53 key figures

However, many leaders told us about more positive legacies emerging from the pandemic. They include leaders more in tune with their people's wellbeing, policymakers more focused on inequalities and local services forging partnerships that could see more joined-up, preventative measures.

In central government, Whitehall officials said that the state will be left more resilient as a result of the pandemic. Several told us that their departments have assessed supply chains and made decisions that will leave the UK less dependent on others. One military leader talked about the importance of retaining some capacity in defence so that our armed forces are able to support the nation at times of domestic crisis.

Many interviewees acknowledged that these positive legacies will not be retained unless they take deliberate actions to lock them into their organisations' cultures and make them part of business-as-usual.



**The health service suddenly realised that other people could help and we all got around the table. That wouldn't have happened without COVID and it's not something I want to let go. Now there's an opportunity for local services to do some proper prevention by working together.**

Chief Constable



**When we assessed the supply chain, we discovered some hair-raising dependencies on overseas markets. So COVID has forced us to think about supply chains and ultimately we'll do more onshoring that will increase resilience, but probably reduce efficiency.**

Senior Civil Servant



**COVID showed the importance of latent capacity that we can tap into when we need to get things done. Should we have a bit of latent flabbiness in defence so that we can respond in a crisis? Yes.**

Military Leader



**Another legacy is innovation. It got people thinking differently, pushing boundaries and taking risks. We've got to hold on to that and not let it slip back.**

Senior Civil Servant

Source: Research interviews with 53 key figures

# Building back better together

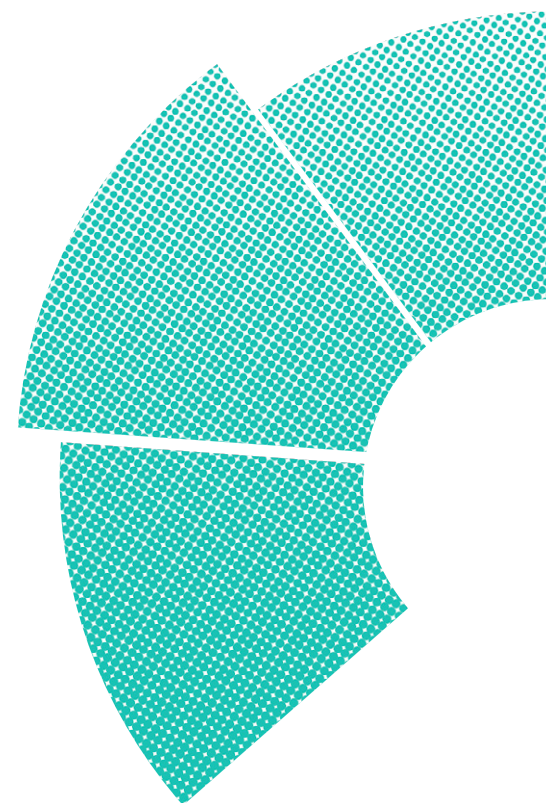


## 2 Building back better together

Beyond the pandemic, the UK Government has set out plans to lead a national recovery that will 'build back better'. Our survey found the public's expectations are more modest than the government's ambitions, with many expecting the UK's infrastructure, economy and levels of social mobility to bounce back to their pre-pandemic state. In our interviews, leaders across public and private sectors agree they will need to work in union to deliver meaningful improvements as government cannot build back better alone. Some wonder how the government's most profound commitments – to level up regions and deliver a transition to net

zero – will be possible without the same substantial levels of funding increases being made available for healthcare. In this section:

- The public expects the UK to build back, but not necessarily better
- A reset relationship between government and business will be vital to build back better
- As health spending remains a priority, officials are concerned about funding for levelling up and net zero





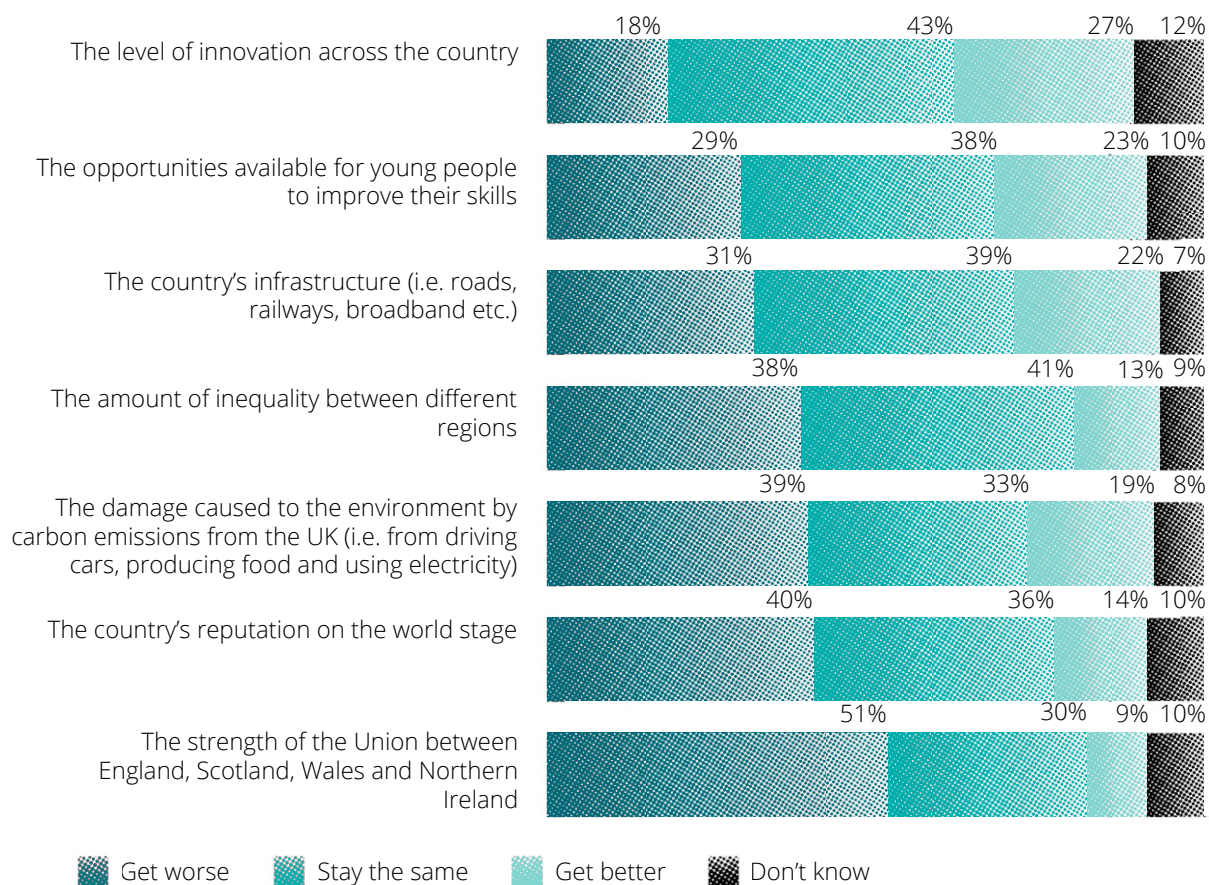
# The public expects the UK to build back – but not necessarily better

This Government has ambitious plans for the UK and aims to ‘build back better’ from the economic and social damage left by coronavirus. Those plans include substantial infrastructure investment, levelling up economic outcomes between regions, reaffirming the UK’s place in the world and leading the global transition to net zero.

Our survey asked whether people expect those areas of UK life to improve in the next few years. Overall, it found the pandemic has left the public fairly pessimistic for the future. Just 13 per cent believe inequalities between regions are set to improve and 39 per cent think that the environmental damage caused by carbon emissions could get worse, not better.

The most significant levels of pessimism surround the strength of the Union between England, Scotland, Wales and Northern Ireland. Perhaps driven by political tensions, half the public suspect that it will decline in the years ahead.

Thinking about the next few years or so, do you think that each of the following will get better, get worse or stay about the same in the UK?



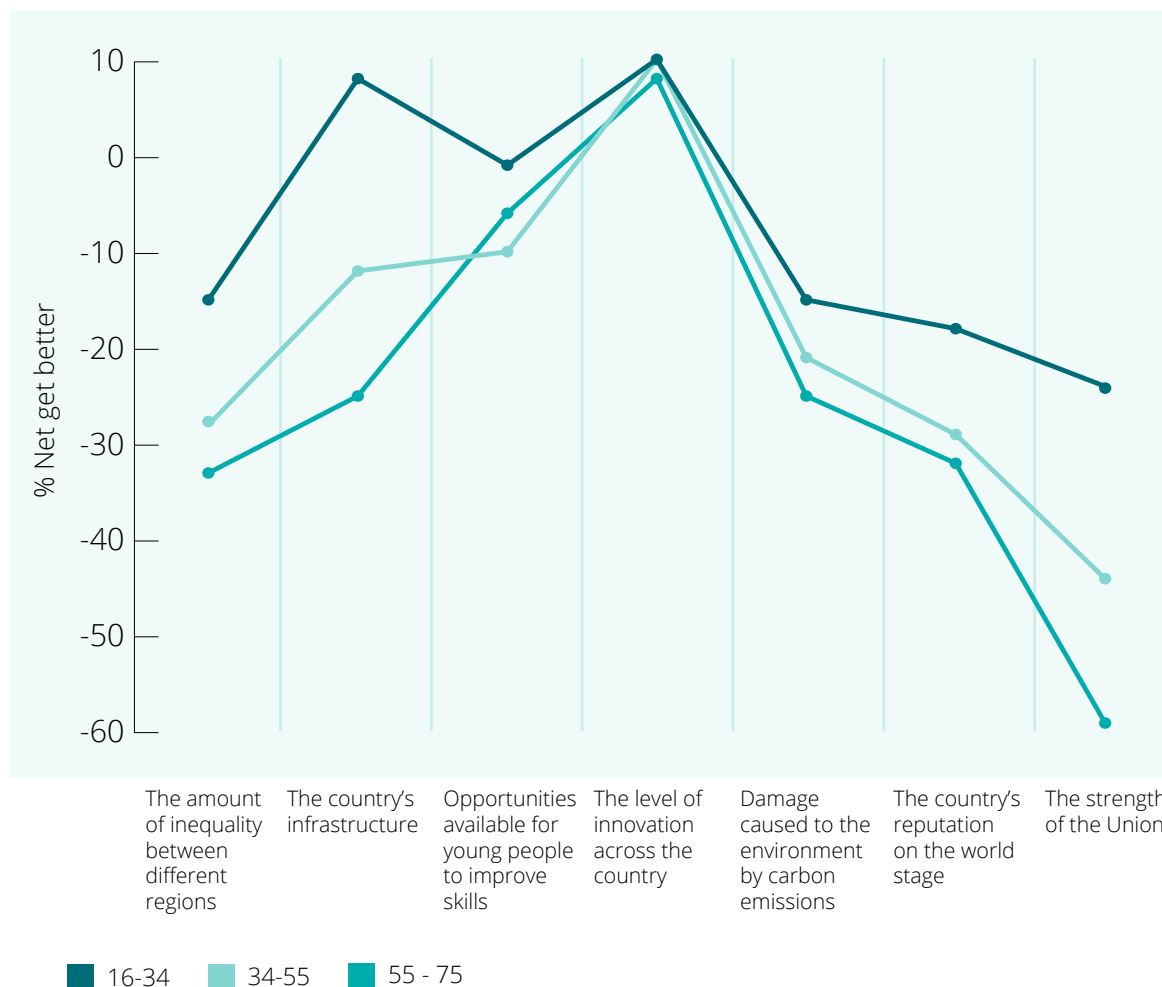
Base: 5,792 Online UK adults 16-75



However, splitting these results by age shows that younger people are more optimistic for the future – or at least, less pessimistic. As this chart shows, the 16-34 age range is not as pessimistic as older age groups across these areas of UK life in the years ahead. They are specifically more positive about the potential for innovation and infrastructure improvements.

Across all age groups, the UK appears most optimistic for innovation with one in four believing it could improve. That chimes with a range of measures to stimulate research and development announced in the Autumn Budget 2021.

Thinking about the next few years or so, do you think that each of the following will get better, get worse or stay about the same in the UK?



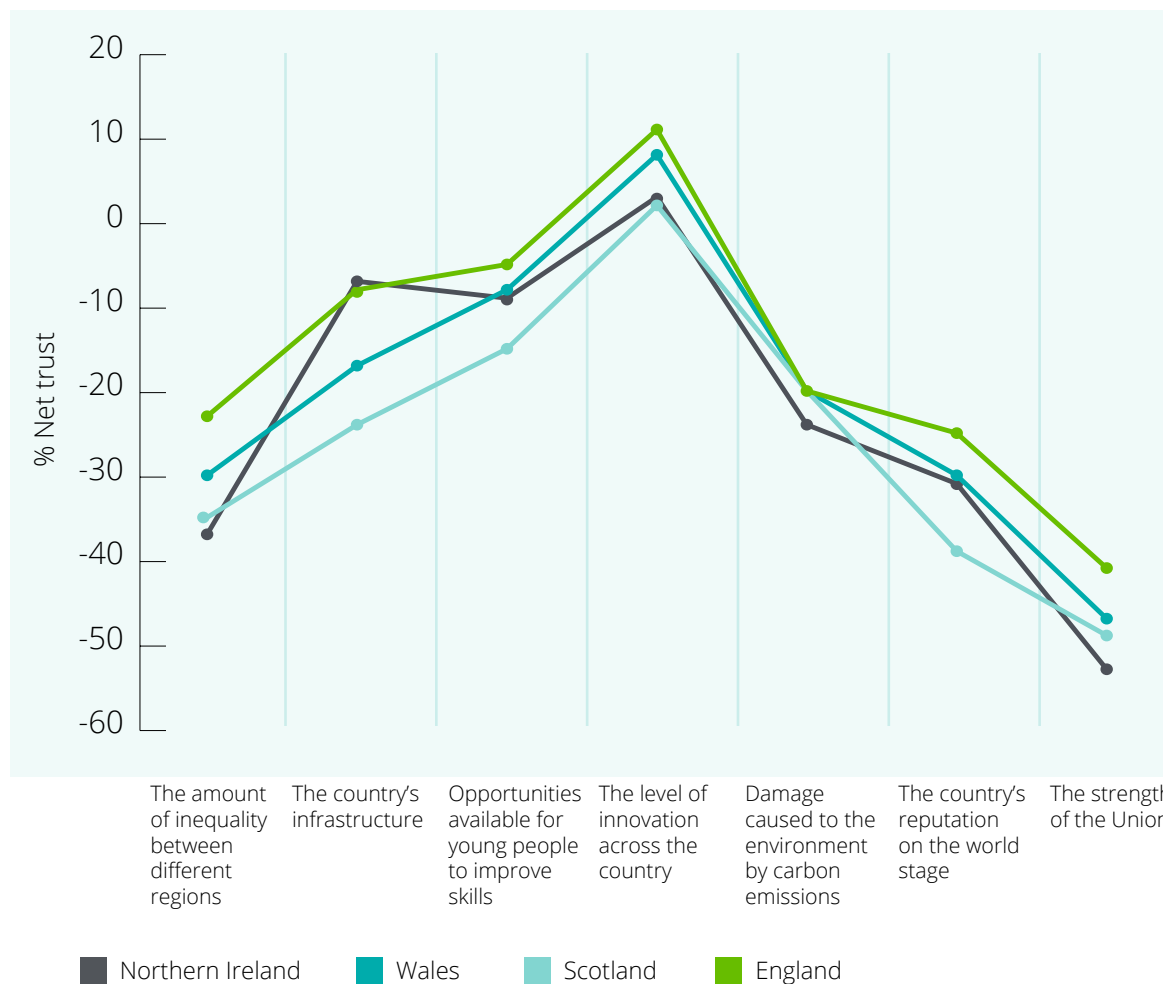
Base: 5,792 Online UK adults 16-75  
Figures shown are % Net get better (get better minus get worse)

Hopes and fears for the future are broadly similar across the UK's four nations, although people in Scotland appear to be more pessimistic overall.

People in Northern Ireland are notably pessimistic about the strength of the Union. That could be explained by the recent lengthy absence of an Executive in Northern Ireland as well as ongoing, post-Brexit debates.

Ultimately, these survey responses can help policymakers and elected representatives better understand the national mood as they seek to engage the public and businesses in the UK's post-pandemic recovery.

Thinking about the next few years or so, do you think that each of the following will get better, get worse or stay about the same in the UK?



Base: 5,792 Online UK adults 16-75  
Figures shown are % Net get better (get better minus get worse)

# A reset relationship between government and business will be vital to build back better

In our *State of the State* interviews, we asked politicians, officials and business leaders about the relationship between government and business.

They agreed that relations were renewed during the first months of the pandemic, when the public and private sectors worked together to keep businesses afloat as well as deliver the vaccination and testing programmes.

Looking ahead, interviewees from business told us that they want government to be more coherent and granular in their plans, have a more nuanced approach to risk and take a more collegiate view of collaboration. Their peers in government recognise the cultural differences between the public and private sectors but have become energised about the possibilities of better collaboration over some of the government's biggest challenges. Ultimately, government alone will not be able to build back better – it will need to work in partnership with business.

Those partnerships could be shaped by a shared sense of the social capital they are generating. The UK is already a world leader at leveraging public procurement to drive social value, and the potential for embedding that approach into programmes like levelling up and the transition to net zero could be profound.

**“The pandemic has reset government and business relations because they co-created solutions. Look at the vaccine, developed by pharma companies in record time because government changed the pace of approvals. We’ve got an opportunity to learn from that co-creation and apply it to everything else – levelling up, net zero, Brexit – everything.”**

Business Leader

**“COVID has shown that the public sector can work entrepreneurially with the private sector and that is absolutely surviving beyond the pandemic.”**

Minister

**“The pandemic has shown how the private sector and the public sector can work synergistically for the common good.”**

NHS Leader

Source: Research interviews with 53 key figures

Business leaders are particularly enthusiastic about levelling up. Some want direction from government on how they could support the agenda while others are already making their own decisions aligned to it. A senior figure in one major supplier to government told us that his company is embracing remote working to deliberately access talent and create jobs away from London and the South East.

Public and private sector leaders agree on the need for continued reform of the skills system as central to levelling up. Both see the Skills for Jobs White Paper as a crucial step forward but leaders in further education, business and local government all want to see more done to align the system so it works for all. Employers want a system that delivers the skills they need, college leaders want clarity on where accountability sits, and councils want the powers they need to make meaningful local choices.

**“ Levelling Up is instinctively the right thing to do. Businesses know they’ll score points with Number Ten so there’s a huge willingness to play, but they don’t know how.**

Business Leader

**“ COVID has created a much stronger relationship with government and industry but it will require investment in effort to sustain it.**

Senior Civil Servant

**“ The shift to digital working has allowed us to make decisions on our footprint that are all about levelling up. We’re creating high quality jobs in places that don’t traditionally have a lot of them.**

Business Leader

**“ You need all the education providers in an area to be accountable in the same way, come together to agree a plan and partner with employers. There’s all sorts of ways to drive skills but no accountability for it and no structure to oversee it.**

Further Education Leader

# As health spending remains a priority, officials are concerned about funding for levelling up and net zero

Across the public sector, officials told us they fear the cost of COVID-19 will see a new era of austerity. The Spending Review will have alleviated some immediate concerns but the fundamental choices government needs to make have not gone away.

Interviewees were particularly clear that levelling up and transition to net zero will require sustained levels of unprecedented investment, and they wonder how government will be able to deliver on those ambitions under current fiscal plans.

**“ The big problem for transition to net zero is that it will require significant government investment. My worry is that COP26 will promise a lot but then, because of the state of the public finances, there won't be any money. There could be a massive expectation gap.**

Transport Non-Executive

**“ Net zero is going to be a doorstep issue and it's only just begun. But how much money are we prepared to put into it?**

Senior Civil Servant

**“ Does the health and social care levy mean that Levelling Up is now effectively too difficult? We can't have tax changes of that scale every quarter, and that's what you need to make Levelling Up happen.**

Former Minister

# Levelling up people and places





## 3 Levelling up people and places

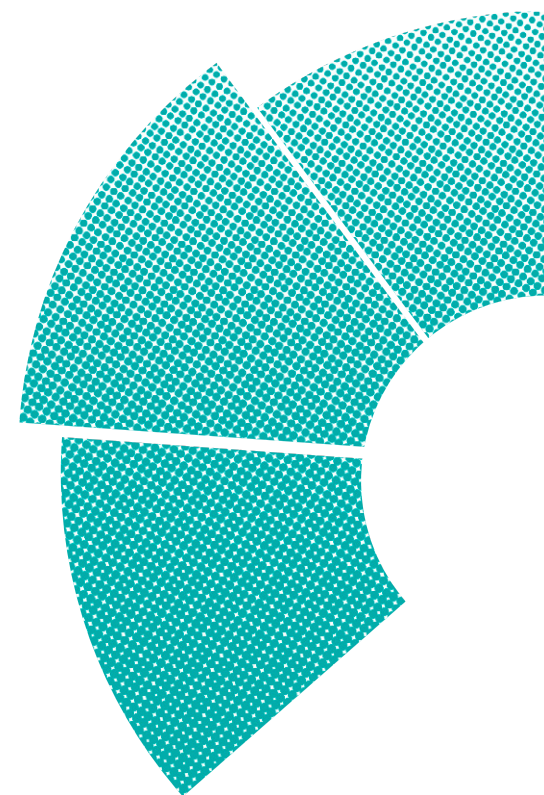
The UK Government's defining commitment is to 'level up' economic opportunities and life chances across the regions. While the devolved administrations may use different terms, they share the same mission to drive inclusive and equitable growth.

Our survey explored the factors that influence the social mobility at the heart of levelling up and found the public believe skills to be the single biggest determinant for getting ahead in life. They see the region they live in as the fifth most important factor, suggesting that levelling up is as much, if not more about people than place. The survey also illustrates

how different communities – city, urban or rural – have different views on what local improvements look like.

Our interviews with public sector leaders found that many are already seeing their world through a levelling up lens while most believe that place-based improvements will require devolution of powers to local government. In this section:

- Levelling up is more about people than place
- One size of levelling up does not fit every place
- Levelling up has become a new policy lens, but local officials call for devolution to make it happen



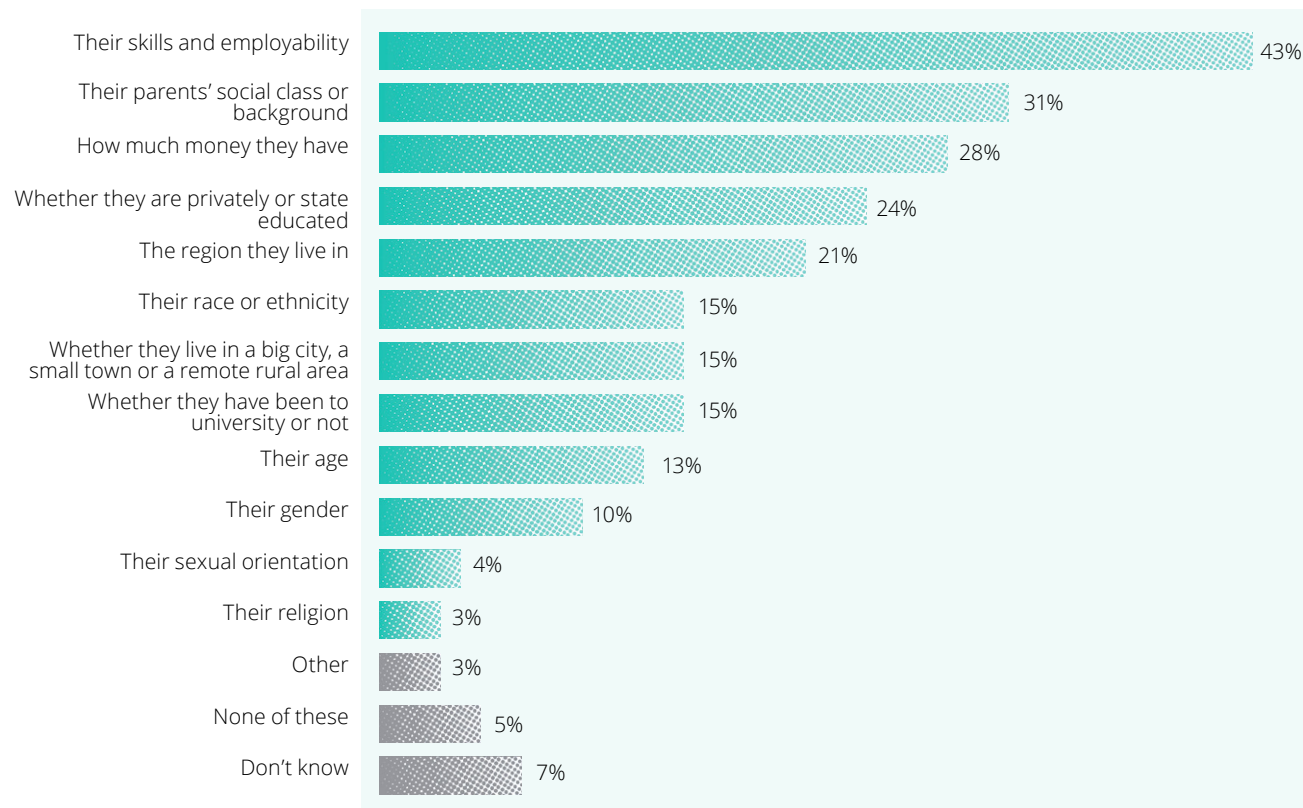
# Levelling up is more about people than place

Our citizen survey explored the factors people believe define our opportunities in life. The findings, summarised in this chart, show a complex set of perceptions about social mobility in the UK.

We asked the public to tell us which factors help people get ahead in society. Overall, they believe that someone's skills and employability is the single biggest factor that sets them up for success. Three in ten believe that our parents' social class makes a difference, and almost a quarter think that a private education is a major factor.

The fifth most significant factor is the region we live in. That suggests the public think levelling up is as much, if not more about people as place, and that continued investment in skills will be needed if government wants to reflect public expectations.

Which two or three of the following, if any, do you think are most important in determining whether someone is able to get ahead in society?



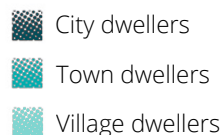
Base: 5,792 Online UK adults 16-75

# One size of levelling up does not fit every place

As the Government continues to develop its Levelling Up programme, our survey explored some nuances of place-based thinking. This chart shows how city, town and village dwellers differ in what they want to see improved about where they live.

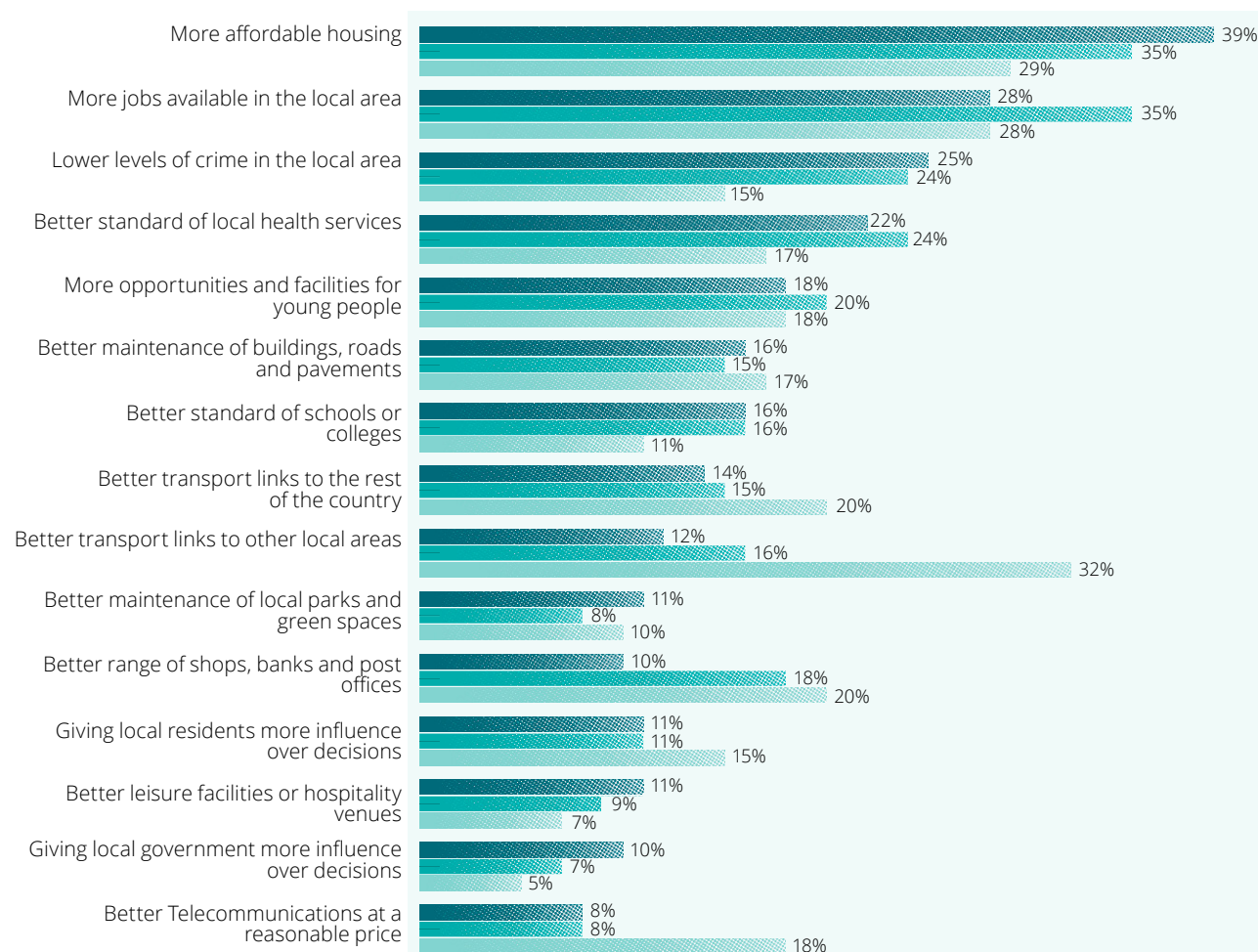
The survey shows that housing and jobs are high priorities wherever people live. However, people in towns are more concerned about jobs and high streets compared to those in cities. Inevitably, people in villages want better local transport and telecommunications.

Overall, these findings underscore how levelling up will require different interventions by place.



Base: 5,792 Online UK adults 16-75

Please imagine a city/town/village which needs each of the following improvements. Which two or three, if any, would you prioritise as the best way to begin improving such a place?



# Levelling up has become a new policy lens, but many call for devolution to make it happen

Everyone interviewed for *The State of the State* had their own perspective on levelling up. While many commentators continue to call for a clearer definition, public sector leaders have begun thinking through what it means to their organisation's mission.

A transport leader said that for him, levelling up was making sure bus services reached deprived areas. A director in another public body told us that levelling up needs to be about diversity in decision-making. The chief executive of an NHS Trust argued that, as a major employer with substantial local spending power, trusts should be leveraged for the economic benefit they could bring to their communities. Levelling up has become a lens through which public sector leaders are assessing their organisations.

For the Civil Service, one element of levelling up is the *Places for Growth* programme of moving officials from London to the regions. Senior civil servants were keen to tell us that the programme is progressing at pace.

However, many interviewees point to the scale of ambition in levelling up. Some believe that it will take decades to achieve, and beyond Whitehall, many argue that devolution to local government is a prerequisite for success. Our interviews unearthed numerous examples of how the UK's centralised state can struggle to support responsive local solutions.

**“ We could deliver further and faster on levelling up if we had the flexibilities we've been asking for. Government still has a problem with control freakery and the conversation hasn't moved on to a degree of sophistication needed to deliver.**

Council Chief Executive

**“ For transport, levelling up is about enabling us to provide a London-level of service for deprived areas. It's about ensuring people can get about on a Sunday, because not all work is Monday to Friday, and making sure they aren't waiting 48 hours for a bus.**

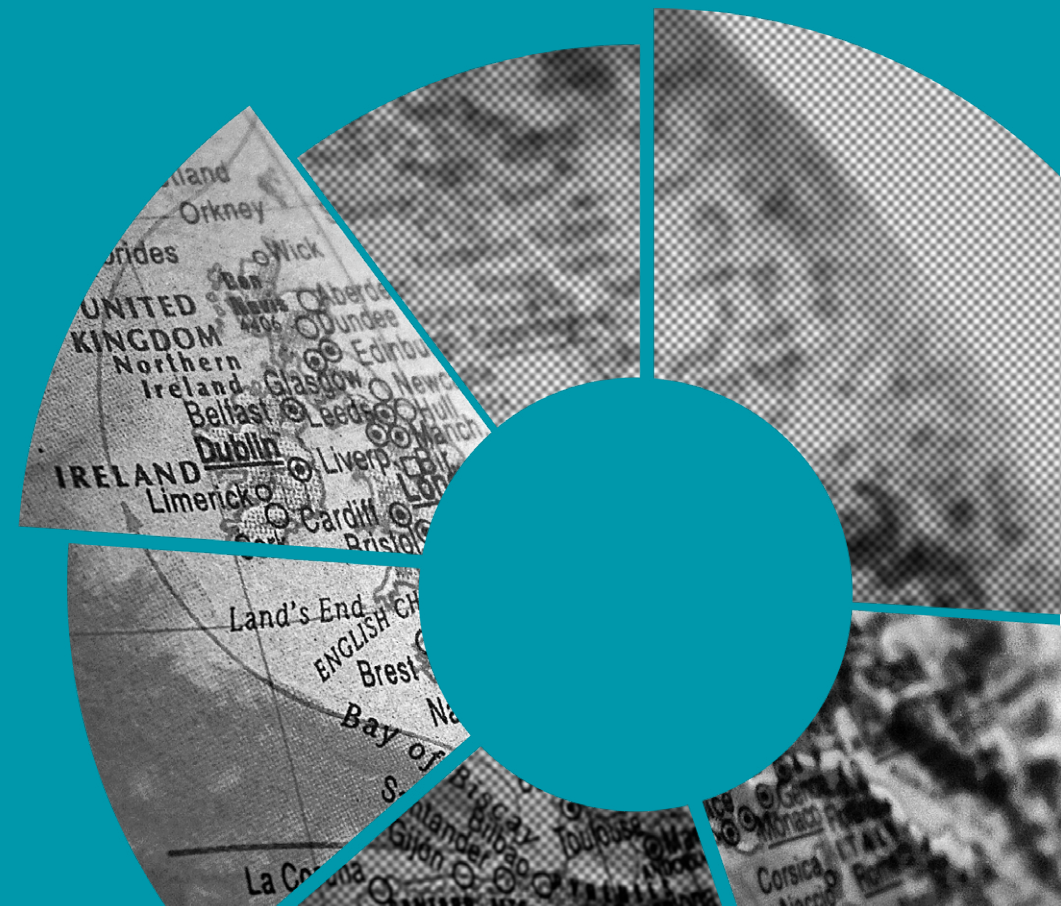
Transport Leader

**“ We've got to think more about the role the NHS plays in the community. We spend more than anyone else does and we employ more people than anyone else does. Every decision we make should be about how we benefit out there.**

NHS Trust Chief Executive



# The UK, Europe and the world





## 4 The UK, Europe and the world

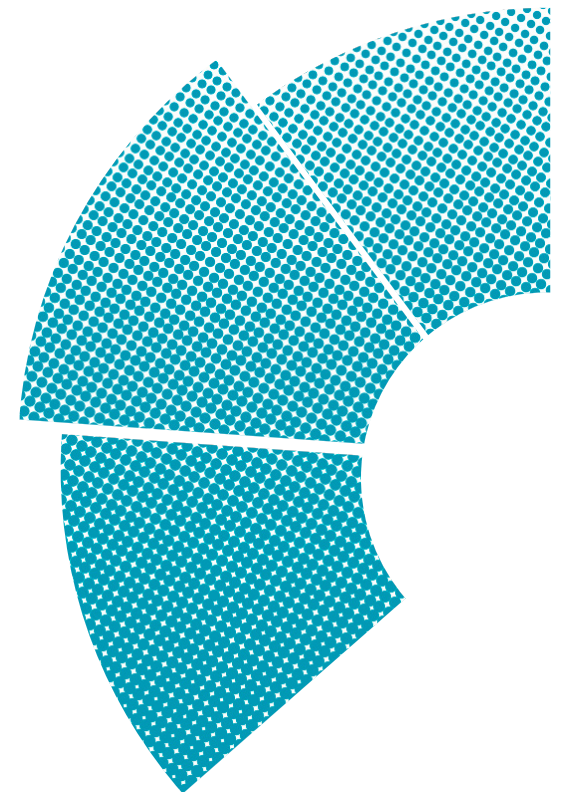
Government plans for 'Global Britain' aim to re-establish the UK's post-Brexit international profile.

Our citizen survey found that the UK public believe the country is known for its rich history, but many would prefer to be celebrated for scientific and medical innovation as well as environmental leadership.

In our interviews with officials, many unpicked some of the complex factors at play in the UK's internal and international relations. They talked about recent tensions within the Union, the limits of the resources available for the UK's global renaissance, and an evolving view of Brexit.

In this section:

- People think the UK is known for its history, but we want to be known for science and tackling climate change
- The UK's international reputation needs to emphasise its soft power
- Devolved governments have grown in confidence amid some strained relations with Westminster
- Brexit is pivoting towards opportunities but implementation is far from over



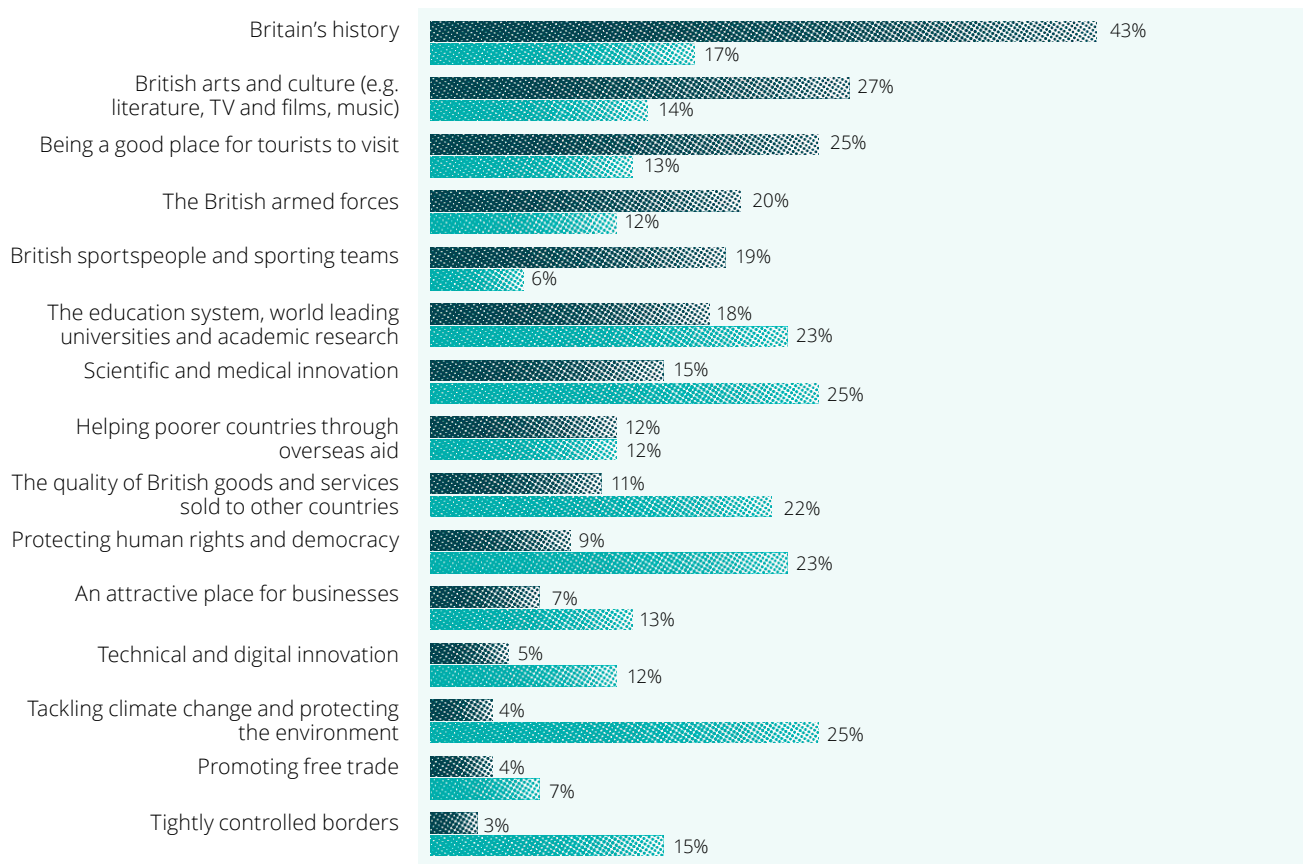
# People think the UK is known for our history – but we want to be known for science and tackling climate change

The UK Government has ambitious plans to reshape the UK's reputation around the world, positioning the country as 'Global Britain'.

Our survey explored what the UK public believe we are known for around the world and what they want us to be known for.

As this chart shows, the most popular view is that the UK is known for our history. However, the public want us to be known for tackling climate change and for scientific and medical innovation. That's encouraging news as the Government uses COP26 as a springboard for global environmental leadership.

It is also one of several findings in the survey that underscore the UK public's appetite for the transition to net zero and for seizing the opportunities of a green economy. In the wake of COP26, government will need to act fast to turn this public sentiment into greater understanding of the implications of a net zero economy, followed by far-reaching action.



Which two or three of the following, if any, do you **think** the United Kingdom is best known for around the world?

And which two or three of the following, if any, would you **want** the United Kingdom to be best known for around the world?

Base: 5,792 Online UK adults 16-75

# The UK's international reputation needs to emphasise its soft power

Government plans to recast and revitalise the UK's place in world - it's 'Global Britain' vision – is seen as a bold ambition by public sector leaders.

While many are energised by the concept, several raised concerns that the political rhetoric reaches beyond the level of resources available. One official said that 'ministers talk as if we're the world's greatest superpower'. Another warned that 'our allies and adversaries look at resources, not rhetoric'. All of this suggests that the UK will need to draw extensively on its soft power to reshape its international reputation.

That soft power is already being boosted by post-Brexit trade talks. Several interviewees told us that negotiations are not just securing bi-lateral agreements but are providing a wider platform for improving the UK's international relations.

One key pillar of the Global Britain agenda is the Integrated Review of Security, Defence, Development and Foreign Policy.

Key figures in defence told us that the Review is ambitious but could have been even bolder. One military leader said that changes in technology and global relations mean that now is the time to challenge the status quo in our international and defence institutions.

**“ Our deep engagement in trade talks is having a positive impact on our global relationships. We're reasserting ourselves, not necessarily as a global power but as a free trade power and we're saying that if countries want to do something, they should do it with us.**

Senior Civil Servant

**“ For hundreds of years, the British political elite have had pretensions about the scale of British influence but not been prepared to match them with resources. Our allies and adversaries look at resources, not rhetoric.**

Minister

**“ The Integrated Review is a big deal, but I don't look at it and think it's hard. I wonder if it should have been bolder given changes in technology and the world we live in. We need to be less reverential of the status quo in our institutions.**

Military Leader

Source: Research interviews with 53 key figures

# Devolved governments have grown in confidence amid some strained relations with Westminster

Policy differences and political tensions between the UK Government and the devolved administrations are arguably an inevitable part of mature devolution – and the past two decades have seen both grow.

This year, public sector leaders interviewed for *The State of the State* told us how the devolved governments have grown in confidence through their handling of the pandemic.

They also talked about tensions over growing levels of intervention from Westminster and Whitehall in devolved matters since the Internal Market Act 2020. Most cite the Levelling Up fund as an example, which is agreed by councils, MPs and Whitehall without approval from Belfast, Edinburgh or Cardiff. On the other side of the argument, figures in the UK Government say their role simply aims to add value.

Looking ahead, interviewees in Northern Ireland and Scotland expressed concerns for the future of devolution. In Belfast, a business leader said that any period of direct rule from London would spell the end for devolution. In Edinburgh, civil servants sense that moves from the Scottish Government towards a second independence referendum will end up with a Supreme Court decision on whether it can go ahead.

**“ COVID has given the devolved governments confidence. This was the biggest hitting, highest profile issue for years and they had the powers to deal with it.**

Senior Whitehall Official

**“ The fact that Levelling Up funds bypass departments in the devolved administrations is causing a lot of consternation. The UK government wants to be seen as the ones that levelled us up.**

Welsh Council Chief Executive

**“ In Scotland, where we're headed on the second independence referendum is likely to court.**

Senior Civil Servant

Source: Research interviews with 53 key figures

# Brexit is pivoting towards opportunities but implementation is far from over

In the months after the Brexit vote five years ago, officials interviewed for *The State of the State* told us about the scale of the challenge and its emerging impact on government. This year, many are looking to the future with a sense of optimism as they pursue trade and other opportunities for the UK. They also recognise that implementation is far from over – even if it has dropped down the news agenda.

Businesses are inevitably open to the opportunities of operating outside the EU, but leaders interviewed for *The State of the State* were keen to say that Brexit remains a politically-charged issue that will never align to the more pragmatic outlook in business.

Resolving that tension, some five years after the Brexit vote, could help government and business pull together and collaborate on the government's recovery agenda.

**“ Government needs the economy to thrive to prove it made the right decision on Brexit. It's so determined to say it's a success that it boxes them in and makes them inflexible even in the face of evidence like what's happening with labour shortages.**

Business Leader

**“ The business view doesn't reflect what the political view wants to hear about national identity and borders and sovereignty. Those views are never going to converge.**

Chief Executive of Non-Departmental Public Body

**“ The opportunity is there for making trade deals that really fit our economy. In 20 years, we'll see this as the moment when things shifted. There's no reason we can't thrive in terms of trade if we do the right things.**

Senior Civil Servant

**“ Government will have to make a decision around what we are finally implementing and at that point, we will see some of the complexities. For people in the UK at large, they think we've done it and that's that. We should be proud of what we've achieved but then we've only implemented half of it.**

Senior Civil Servant

Source: Research interviews with 53 key figures



# The year ahead



## 5 The year ahead

Looking to the year ahead, our research suggests that the coming months could define the future of government for decades to come. Our survey found the public wanting government to prioritise spending on health, social care and social services as the UK recovers from the pandemic while housing and support for green technologies are also seen as important. The government's forthcoming white paper on social care, expected this year, could have far-reaching implications and our survey found the public wants reform to focus on personalisation, professionalism and affordability.

In our interviews with public sector leaders, most told us that net zero transition is an emerging priority but they are anticipating guidance on the role they need to play from central government. They also told us that the sector's digital transformation continues but most are prioritising legacy IT issues – getting the basics right – before exploring the potential of more cutting edge technologies.

Interviewees also told us about the impact of coronavirus on ways of working across the public sector. They talked about some of the complexities and nuances around hybrid and remote working, and many argued that the year ahead will define how government offices operate in the long-term.

In this section:

- Health and social care dominate recovery spending priorities but the public has high hopes for the green economy
- The public want social care reform to focus on personalisation, professionalism and affordability
- COP26 is a major step on the road to net zero as the public sector starts to define a roadmap to 2050
- As digital transformation progresses at pace, public bodies are prioritising legacy IT issues
- The year ahead will redefine the future of work in government and public services

# Health and social care dominate recovery spending priorities, but the public has high hopes for the green economy

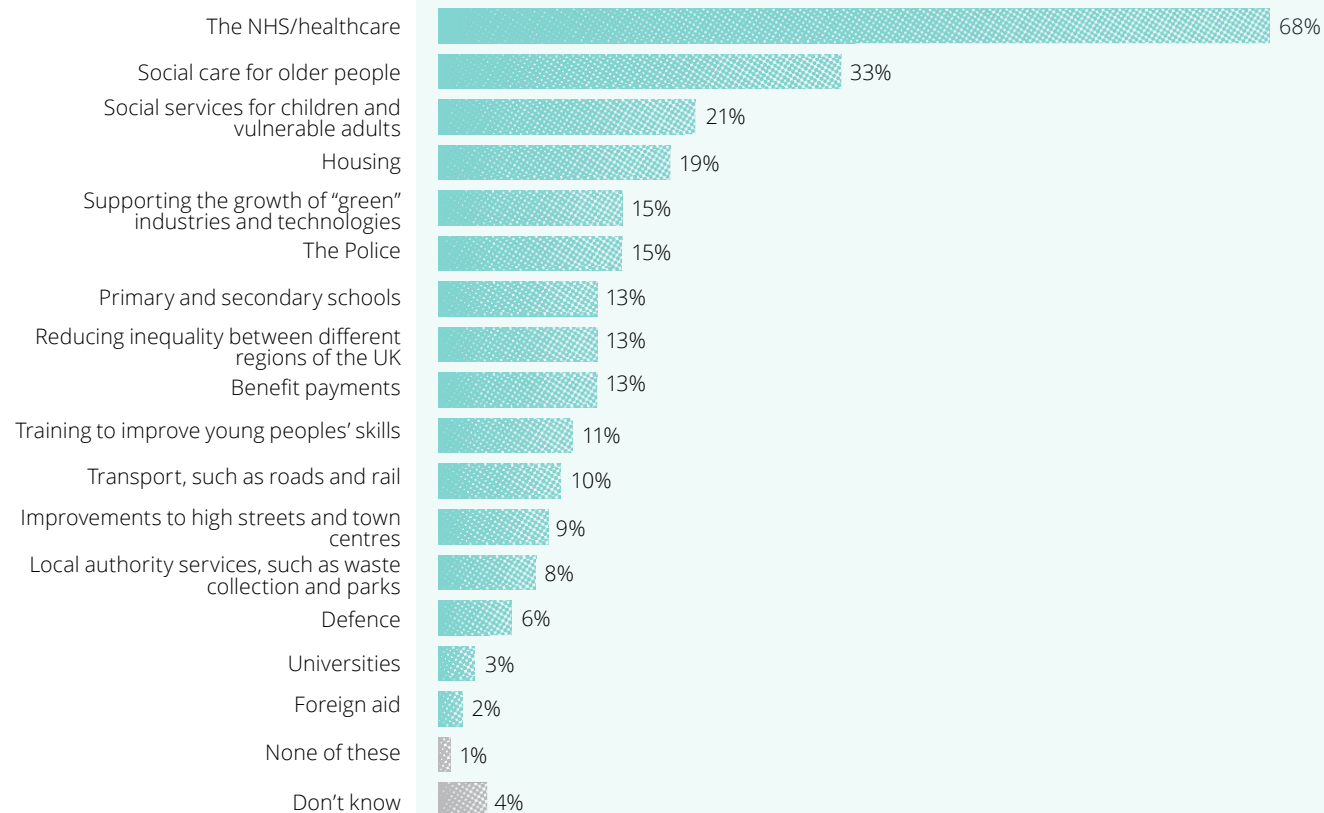
Inevitably, the UK public want to see NHS spending prioritised in the coming years as we recover from the pandemic.

The second largest priority is social care, perhaps reflecting the plight of care home residents at the height of the pandemic as well as recent political and media attention on the need for a better funded, more financially sustainable system.

Third and fourth public priorities are social services and housing. It's notable that local government is responsible for several of the top ten public priorities but has of course seen a substantial fall in its spending power over the past ten years.

The public put support for green industries and technologies as fifth on this list – on par with policing – representing a significant level of interest and expectation on the transition to net zero in the years ahead.

Thinking about as the UK recovers from the COVID-19 pandemic, which two or three, if any, of the following areas do you think should be prioritised to receive public spending?



Base: 5,792 Online UK adults 16-75

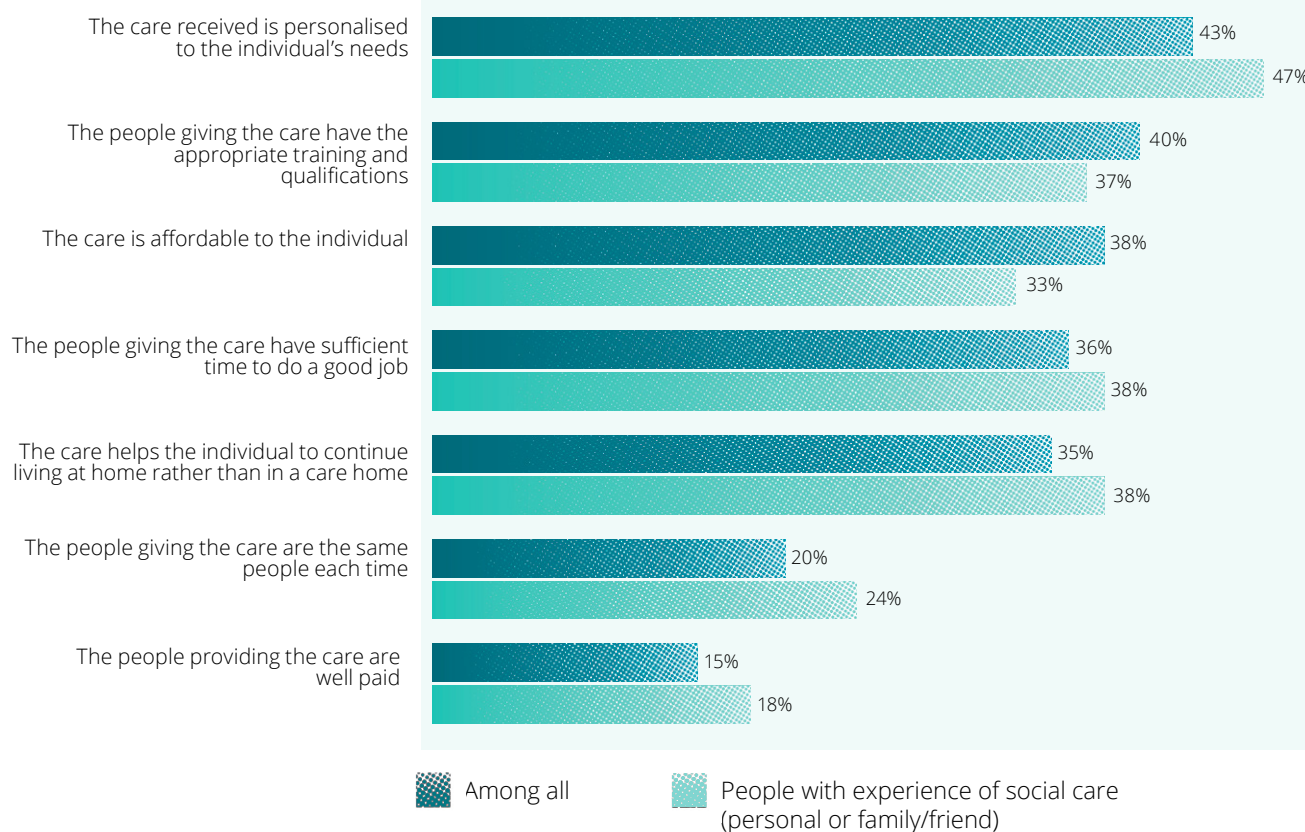
# The public want social care reform to focus on personalisation, professionalism and affordability

This autumn, the UK Government announced a Health and Social Care levy as a major step towards a transformation of social care in England. A white paper on social care reform is expected to follow.

Our survey explored the factors that the public consider most important for reform to focus on. This chart shows those factors for all respondents as well as those who told us they have personal experience of care.

People told us that the most important factor is that care is personalised to an individual's needs. According to people with first-hand experience of social care, the next most important factors are that social care professionals have time to do a good job, support independent living and have the right training and qualifications. Affordability is also among the top priorities for both those with experience of care and those without.

Imagine you or a close family member or friend currently live in their own home and need to use adult social care services. Which two or three of the following, if any, would you say are the most important when considering the social care this person receives?



Base: 5,792 Online UK adults 16-75

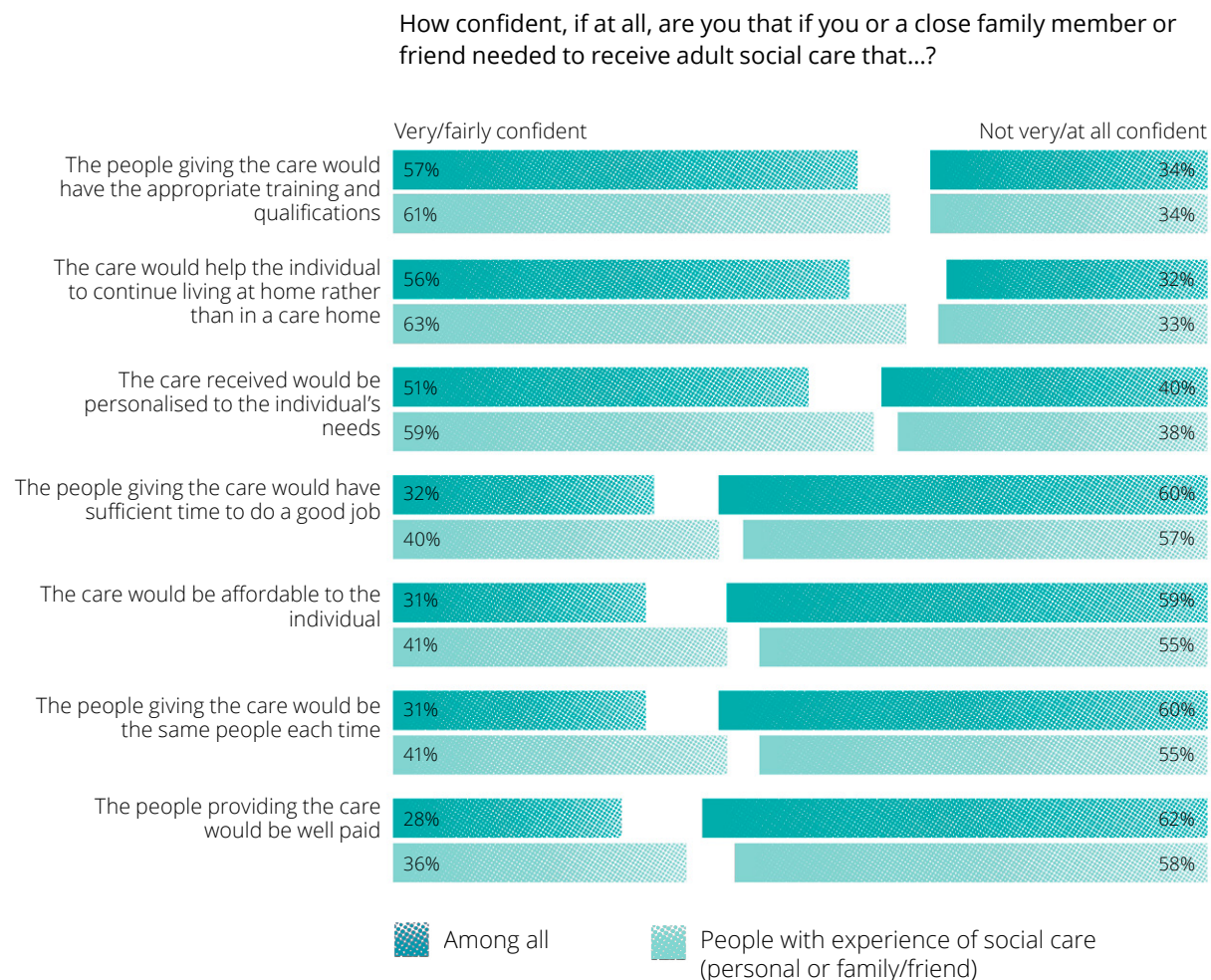


Our survey also explored levels of public confidence in social care over a range of factors.

People with experience of care are generally more confident in the services they see in action. However, those with experience of care and those without share a range of concerns.

As this chart shows, around six in ten are not confident that care givers have sufficient time to do a good job or are paid adequately. A similar number worry that the care giver will not consistently be the same individual. Affordability is also a concern with more than half the public not confident that care will be affordable.

Again, these findings could provide a useful evidence base as government finalises its approach to the future of social care.



Base: 5,792 Online UK adults 16-75



# COP26 is a major step on the road to net zero as the public sector starts to define a roadmap to 2050

Our interviews suggest that most of the public sector is beginning to think about the implications of net zero on their organisations and the services they deliver. They are concluding that the scale of the net zero challenge is huge – although yet to be adequately understood – and that it will require substantial, sustained investment.

In the meantime, public bodies have begun managing down their carbon footprints while assessing their response to the Government's net zero strategy. While many expect a sector-wide plan, others doubt that a single, all-encompassing roadmap from government will ever be feasible given the complex, evolving and multi-faceted nature of the task ahead. Either way, Whitehall has made huge strides. One minister told us that net zero has already been integrated into policymaking as 'part of the fabric of government'.

While leaders across most local services are alert to the net zero challenge, some of those running hard-pressed frontline services told us they have little headspace for environmental issues. One chief constable told us that net zero is 'minus ten' on their list of priorities. Some also commented that the public is yet to fully understand the level of lifestyle changes that will be required in the decades ahead.

**“ Net zero is about minus ten as a priority for us when you put it next to immediate day-to-day pressures.**

Chief Constable

**“ Net zero has become part of the fabric of government to a remarkable extent. There's hardly a policy written that doesn't have net zero in it.**

Minister

**“ Net zero is huge when you think we're a department with one of the biggest footprints as a landowner and an inefficient estate. The worry is that net zero is in the 'too difficult' box without a large influx of cash.**

Senior Civil Servant

**“ I don't know how realistic it is to have a grand blueprint for net zero that covers everything that needs to be done. It's more like pieces of the jigsaw.**

Permanent Secretary

Source: Research interviews with 53 key figures

In contrast, transport leaders are highly focused on the importance of their sector to net zero as well as its connection to the place-shaping initiative of levelling up. Many told us that local government will need to make bold decisions to encourage people onto public transport to meet the aims of both agendas.

Defence leaders are conscious that their carbon footprints are among the state's largest but acknowledge they are yet to fully map out what transition to net zero will mean.

While all of our interviewees recognised the scale of the net zero challenge, they also saw the opportunity it represents to our economy and lifestyles. Many told us that they see the development and deployment of innovative technology as a critical success factor.

**“ Local authorities will need to make tough decisions about getting people onto public transport. An easy-to-use transport system is the carrot and the stick is demand management, and to be blunt, that means road charging.**

Transport Leader

**“ Net zero means an enormous challenge. We all need to sit down and refocus on exactly what achieving it means and what we need to do. Retrofitting is going to be a massive challenge, and we don't have the skills.**

Local Government Chief Executive

**“ There isn't going to be any money for net zero but the answer is innovation, technology and cultural change. There isn't a net zero pledge that can be delivered with technology available today – and that's the opportunity.**

Senior Civil Servant

**“ Defence needs to be a follower and not a leader in net zero. We account for 50 per cent of the government's emissions and we have to play our part but we're in the foothills of what that means.**

Defence Leader

# As digital transformation progresses at pace, many public bodies are prioritising legacy IT issues

Digital transformation in the public sector surged forward in the past 20 months as the pandemic forced organisations to sweep aside barriers and act fast.

As that acceleration slows, public sector leaders told us they are prioritising legacy IT issues before pursuing leading edge technologies – though they acknowledge replacing old systems is costly and rarely seen as exciting.

Many leaders want their organisations to become more data-driven, but told us about two issues that slow their progress. First, public bodies struggle to recruit and retain people with the skills they need to bring data to life. Second, officials are alive to debates around data trust and privacy. That said, several challenged the premise that the public are concerned about government and public services using their data. As our *State of the State* surveys have

shown in previous years, the public actually trust the public sector with their data more than other types of organisation.

“

**We sit on a wealth of data but the information we have in front of us to make decisions on is woefully thin. What slows us down is the lack of capability but at the prices we can pay, there's no-one who can come and help us.**

Director in Non-Departmental Public Body

“

**Our fundamental systems fall over on a regular basis and my priority is getting basic 20th century technology in place before I start thinking about artificial intelligence.**

Senior Civil Servant

“

**You ask people why we can't do something with data and it turns out someone said so 25 years ago and it's never been challenged.**

Chief Executive of Arm's Length Body

Source: Research interviews with 53 key figures

NHS leaders told us about a spectrum of digital maturity across the health and social care system. Some told us that they still see primary care using tired IT and clunky processes while others talked about impressive levels of innovation.

Senior health figures told us that digital transformation in the NHS is fundamentally challenging because it is not a single entity but a federated, local system supported by a collection of central bodies. Interviewees in both local and central organisations agreed that citizen-facing technology is the area most ripe for development. However, leaders at the centre were concerned that trusts would transform the citizen experience in different ways and paces, so they favoured a more system-wide approach.

**“ GPs have still got computers that they switch on and get a cup of tea while they boot up. They dictate letters for a secretary to type up and then email to a hospital. The data is disconnected and the system is dysfunctional. ”**

NHS Clinical Commissioning  
Group Chief Executive

**“ The future of the citizen experience of health could end up with trusts doing their own thing, so some would be brilliant and others would struggle. Alternatively we use the pandemic as an opportunity to drive fundamental change and transform the entire NHS. ”**

Senior NHS leader

**“ There are brilliant things going on and some real innovation but the difficulty comes in changing a system the size of the NHS where there are central organisations and federated organisations. When you do anything centrally, it's seen as the establishment forcing change on the frontline. ”**

Senior NHS leader

# The year ahead will redefine the future of work in government and public services

In our *State of the State* research last year, public sector leaders spoke with pride about the sector's shift from workplaces to remote working. Some told us that working for government had changed forever.

This year, those views have evolved as the complexities of hybrid working have come into focus. Most interviewees acknowledged that there is no shared consensus about returning to the office and many expect a new normal to emerge organically over the year ahead. Almost all anticipate a smaller office estate for their organisation in time, with remaining spaces better suited to collaboration.

Interviewees from local government differed on their views about the impact of remote working on city centres. Some believe the market will adapt while some feel compelled to ask their staff to return to the office in a bid to support city centre economies.

Others argued that city centre businesses may be losing money but remote workers are spending locally in towns and villages.

Several leaders talked about the recruitment implications of remote working, which allows them to access wider pools of talent by looking beyond the geography of their office locations.

All of this suggests that government needs to make deliberate choices that will strike the right hybrid balance as patterns of working take hold in the year ahead.



**We have been thinking about how to get some of those rare skills, like data skills, when our geography is a problem. Well, remote working means the geography problem has gone.**

Defence Leader



**Most of our people are still working at home and I have started seeing service standards slipping. We'll maintain hybrid working but I want to get people back in the office a couple of days a week from a service and customer perspective.**

Council Chief Executive



**The next six months will set the patterns for the next stage of working, and once set, they will be hard to unpick.**

Permanent Secretary

Source: Research interviews with 53 key figures



# England's regions

The State of the State



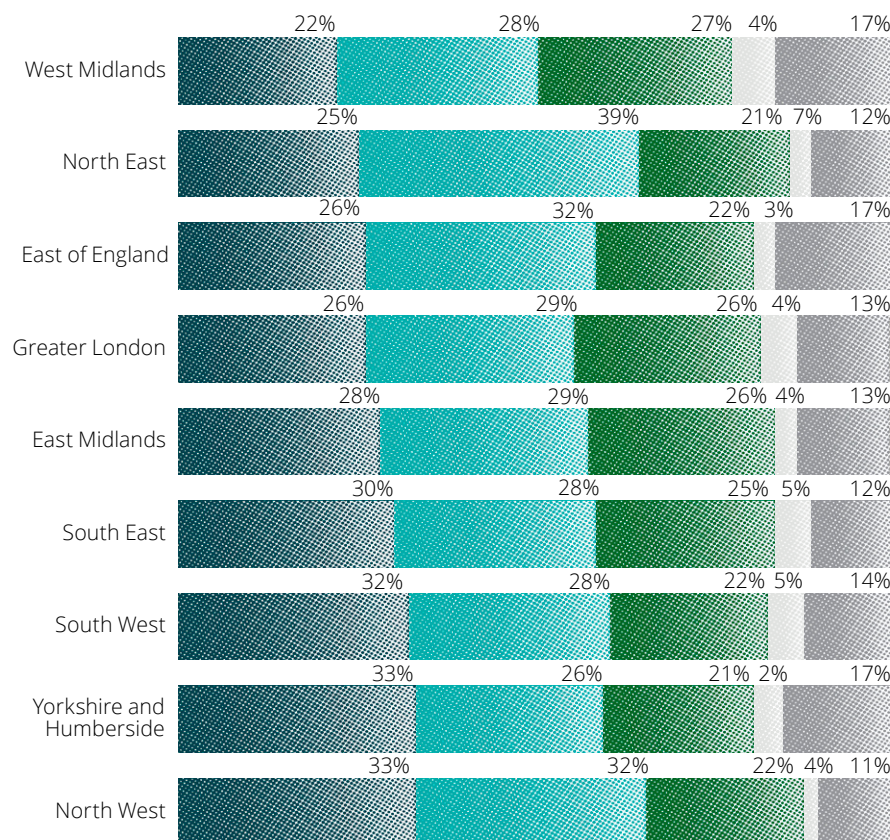
# England's regions

Our *State of the State* citizen survey allows for regional-level analysis to help inform debates and thinking around levelling up and other local agendas.

Full regional data cuts are shared in regional webinars and sessions held across the country, but topline analysis highlights some notable differences in public attitudes.

This chart shows regional differences in views on government spending. Our survey found that people in the North West, as well as those in Yorkshire and Humberside, are England's most keen on higher public spending while people in the West Midlands are the least in favour.

Thinking to the future after the coronavirus crisis has eased, and how it compares with the period before the coronavirus started, what do you think should be UK government policy for the balance between public spending and the levels of taxation and public borrowing?



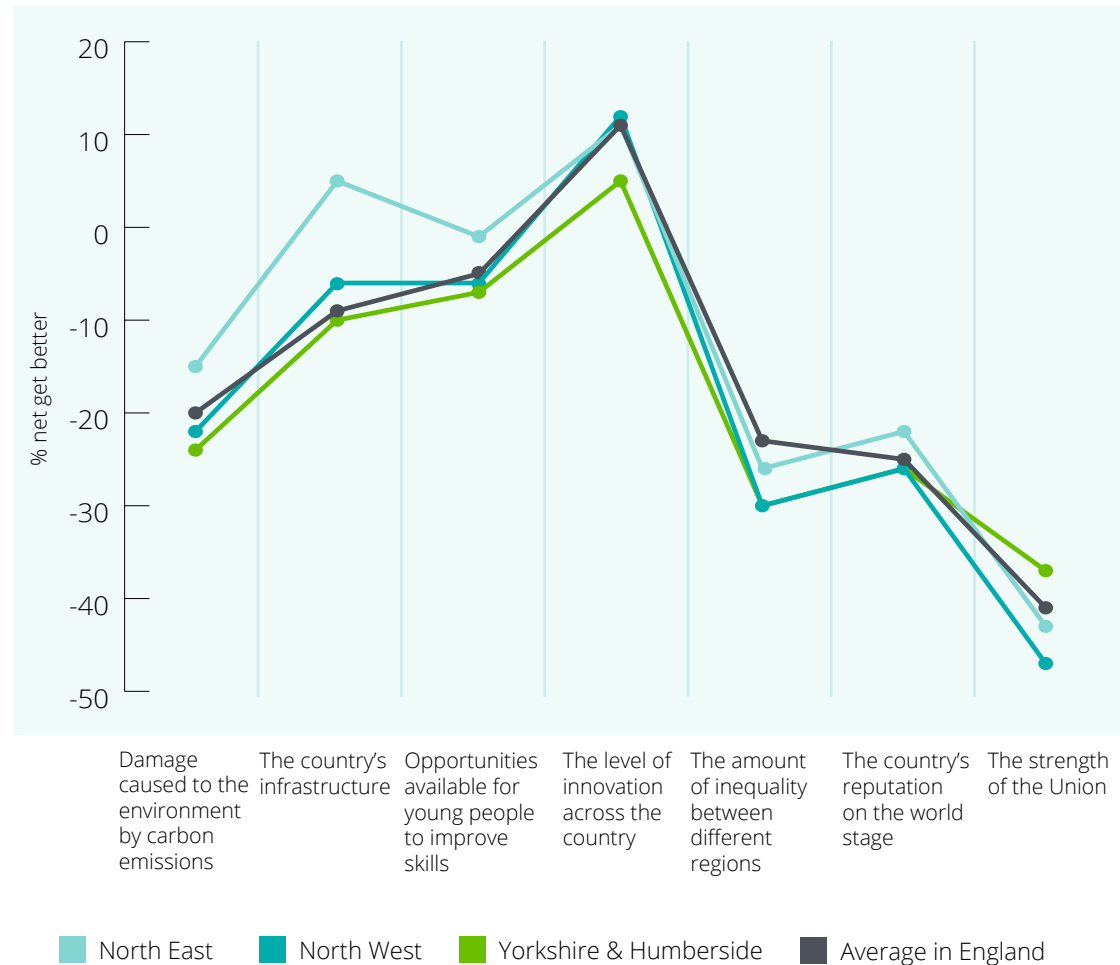
Base: 5,792 Online UK adults 16-75

## England's regions

Regional differences also emerge in our data on optimism for recovery from the pandemic.

In the North, the North East stands out as more optimistic for the country's infrastructure.

Thinking about the next few years or so, do you think that each of the following will get better, get worse or stay about the same in the UK?



Base: 5,792 Online UK adults 16-75

Figures shown are % net get better (get better minus get worse)

## England's regions

Looking across the Midlands, the East Midlands stands out as more pessimistic than its neighbours – especially about infrastructure.

Thinking about the next few years or so, do you think that each of the following will get better, get worse or stay about the same in the UK?



Base: 5,792 Online UK adults 16-75

Figures shown are % net get better (get better minus get worse)

## England's regions

Finally, Londoners are the most optimistic group in the South of England about a range of issues including the future of infrastructure, the strength of the Union and the UK's global reputation. Those in the South West are among the UK's most positive about the potential for innovation in the years ahead.

Thinking about the next few years or so, do you think that each of the following will get better, get worse or stay about the same in the UK?



Base: 5,792 Online UK adults 16-75

Figures shown are % net get better (get better minus get worse)



# Northern Ireland

## The State of the State



# Northern Ireland

Northern Ireland's public sector has spent the past year dealing with the same pandemic challenges as the rest of the UK. But in the background, its political complexities and unique position in EU Exit continue to set the region apart – and both are likely to take centre stage in the year ahead.

For this year's *State of the State*, we interviewed elected representatives, government officials, public service executives and business leaders to get a rich perspective on Northern Ireland's public sector. A clear consensus emerged in those conversations that the entire system has worked relentlessly to protect the public from coronavirus and mitigate its wider social and economic effects. Politicians and officials were keen to give credit to each others' professionalism and commitment.

Inevitably though, not every aspect of Northern Ireland's COVID response was straightforward, or successful. Five-party coalition politics added a layer of complexity to decision-making, and Executive

leaders sometimes felt they were relying on a small number of experts within the Northern Ireland Civil Service rather than its full capability. Communications with the public occasionally faltered and the pandemic put a spotlight on the public sector's capability with data which, as in the rest of the UK, requires investment to improve. Locally, the education system was seen to have responded particularly well as it reacted to fast-changing rules amid divided public opinion on school closures. Across the full breadth of the public sector, leaders told us that their people are simply tired after 20 intense months.

**“ The five party Executive did well. Diverse ideologies caused issues and at times confusing messages but at the end of the day, we got through this in pretty good shape.**

Senior Civil Servant

**“ The last year of the pandemic has been full on across public services. We've done what we had to do, but everybody is tired and we can't predict how this thing is going to go.**

Senior Civil Servant

**“ Despite all the challenges, we were able to do things much quicker and turn things around in a way that it has never done before, being responsive to societal needs as well as maintaining due diligence in governance.**

Executive Member

Source: Research interviews with 53 key figures

# Northern Ireland

Our interviewees also agreed that the scale of the COVID-19 response has squeezed the public sector's bandwidth, with countless consequences. They told us that pre-existing issues in the system have not been addressed and transformation programmes have been shelved. Looking ahead, the short-term priority for public services is to restore a sense of normality, and in some cases, that means making sure service standards remain as high as before the pandemic. Some public sector leaders told us that restoring standards might be best achieved by bringing home-based employees back into workplaces. Others have been won over by remote working, and are remodelling offices into collaborative spaces while planning to sell off some of their office estate.

In the longer term, politicians and officials agree that health reform is a top priority. While debates in other parts of the UK often focus on funding, leaders in Northern Ireland appear convinced that transformation in the system is more vital

than additional money. Many want to see the ambitious proposals of Bengoa's 2016 report revisited and implemented after a combination of the Executive's collapse and coronavirus left it on the shelf. Beyond health, some interviewees talked about the need for reform in the education and justice systems.

Continuing the theme of longer term change, many people we interviewed have high hopes for the Fiscal Council and Commission as major steps forward for Northern Ireland's public sector financial management. They sense that the Council will dilute the impact of short-term politics on spending decisions by assessing and reporting on the sustainability of the Executive's finance and spending proposals. Since 2016, Northern Ireland has been at the centre of EU exit debates and negotiations. In our interviews, several key figures observed that some of the most worrying predictions about Brexit, not least the prospect of increased sectarian violence, have not happened on the scale predicted.

**“ The Fiscal Commission report will be good but it depends on what politicians will be prepared to do.**

Senior Civil Servant

**“ We have tough decisions to make. Health is our number one priority, but without additional funding from the Treasury, it means other departments will have to take a cut in their budget.**

Executive Member

**“ The legacy on public sector reform has been a pause. It's also seen a mass influx of resources that has created distortions and that influx could end abruptly.**

Assembly Member

Source: Research interviews with 53 key figures

# Northern Ireland

Most felt that that at the time of our interviews, there was a sense of hiatus as implementation and discussions with the EU continue. Business leaders were quick to tell us that the additional administrative burden they had faced in recent months was unwelcome. However, almost all interviewees from both public and private sectors were excited by the longer-term possibilities for Northern Ireland if the protocol leaves it in a unique position as a bridge between the EU and UK markets.

That sense of opportunity has encouraged many leaders to reflect on Northern Ireland's international profile. Most agree that the region has a huge amount to offer investors and they want to see it continue to build a profile as a destination for new industries including cyber security and green technologies.

There is a clear view that the 590-day absence of an Executive left Northern Ireland without a voice in debates that really mattered to its future, and some interviewees fear that a further collapse

in Stormont could mean the permanent end of devolution. Many officials and elected representatives told us they felt protective of devolved powers in the face of recent intervention from the UK Government, especially through the Levelling Up fund. They see that intervention as interference which undermines devolution, although interviewees in London argue they are simply adding value.

Amid a growing sense of optimism for Northern Ireland, leaders across the public and private sectors acknowledge that the 2022 Assembly elections loom large on the horizon. Some worry they might not go ahead if the region's politics become more fragile while others wonder how the political landscape would adapt in the event of a change of party leadership at the top.

**I worry about the politics of this place. We've got a period of uncertainty coming up and we're in for probably the most difficult election we're ever had.**

Business leader

**There's opportunity out there in the year ahead with the protocol and the green economy but the scale of obstacles is daunting. This next year is ultimately about surviving the obstacles.**

Senior Civil Servant

**If the protocol works as intended, NI will have access to both the EU and UK markets and that's great. If that gives an unfair advantage to its businesses, well that a price we're willing to pay and I don't think there's anyone who would worry about that.**

Minister

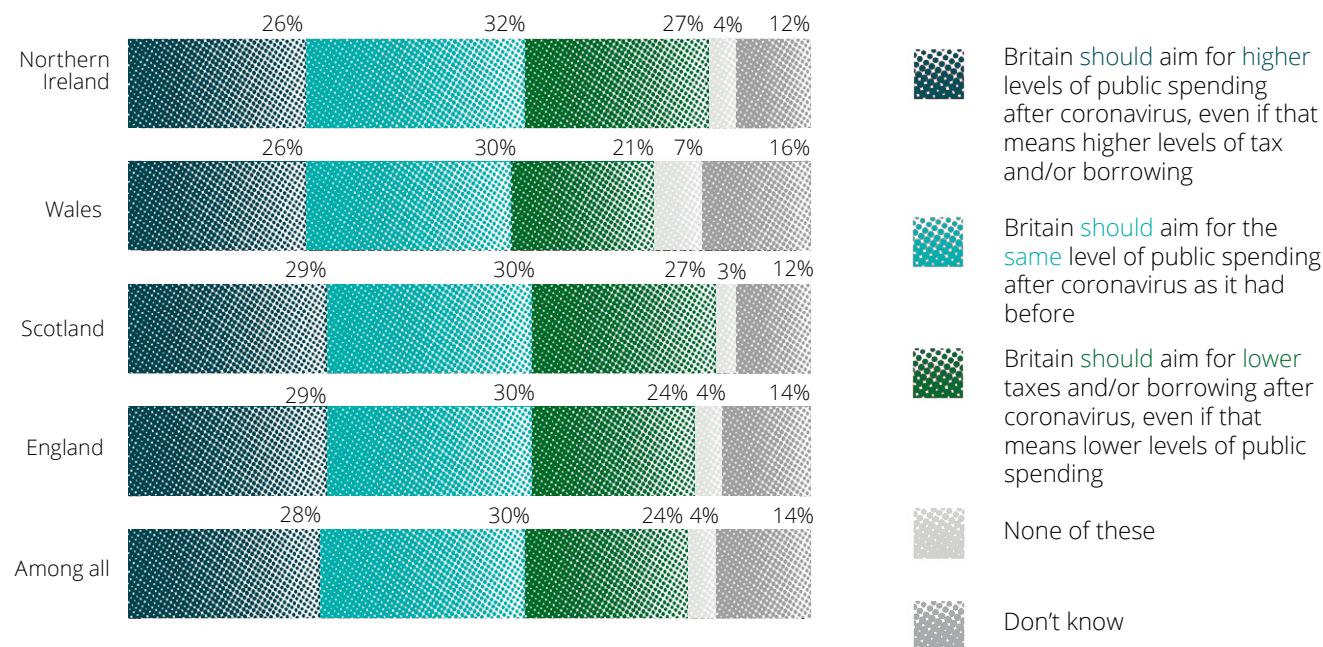
Source: Research interviews with 53 key figures

# Northern Ireland

Turning to our citizen survey, we found little variation in public attitudes towards the balance of tax and spending between the UK's four nations.

In Northern Ireland, 26 per cent of the public would like to see higher public spending along with higher taxes or borrowing to pay for it as we recover from the pandemic. Some 32 per cent would prefer the same balance of tax and spending as before the pandemic, and 27 per cent would support lower public spending and lower taxes.

Thinking to the future after the coronavirus crisis has eased, and how it compares with the period before the coronavirus started, what do you think should be UK government policy for the balance between public spending and the levels of taxation and public borrowing?



Base: 5,792 Online UK adults 16-75

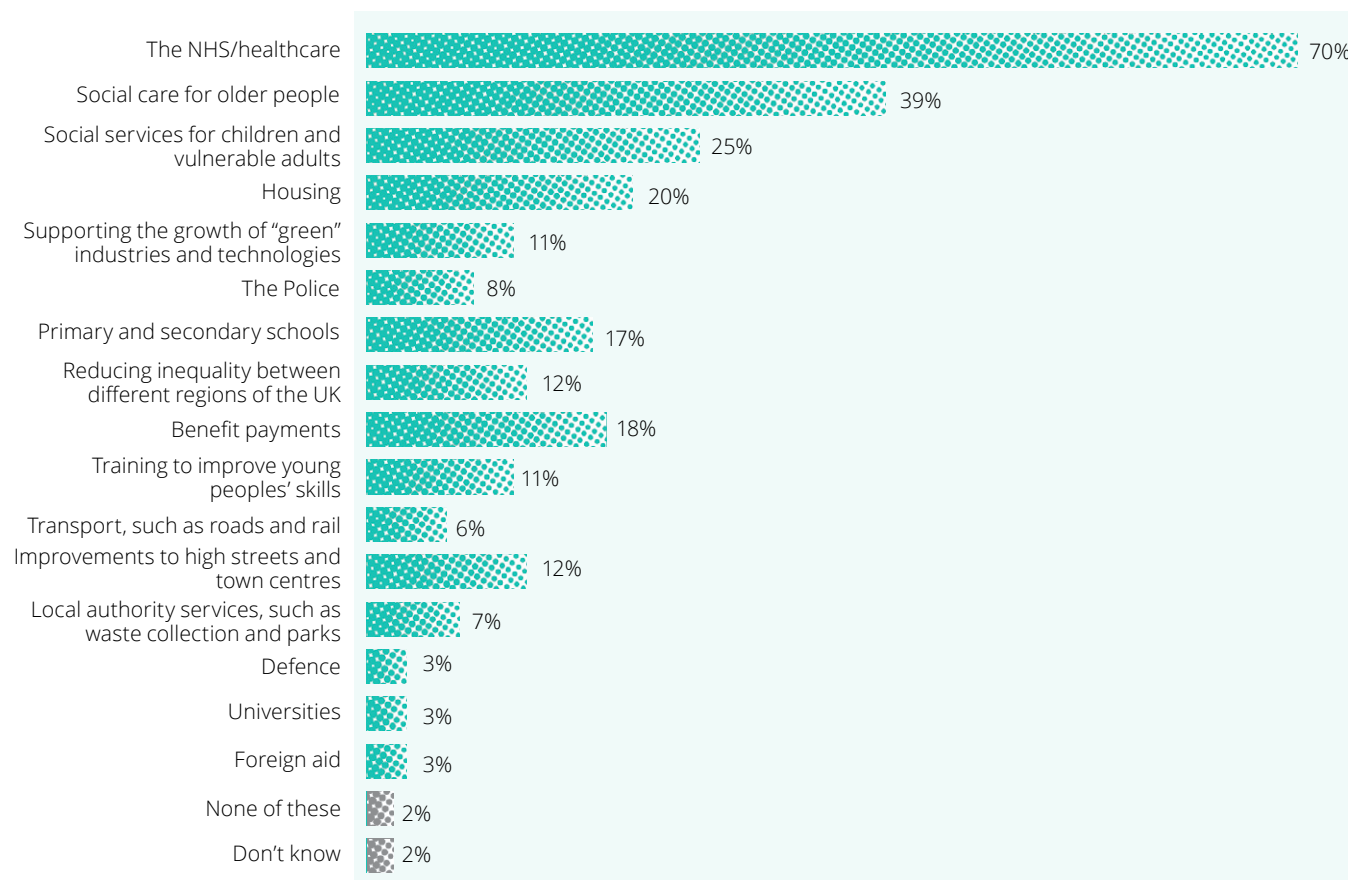


# Northern Ireland

When asked to identify spending priorities as the UK recovers from the pandemic, people in Northern Ireland share the same priorities as the rest of the UK, with a few notable differences.

Northern Ireland's public see social care and benefits payments as bigger priorities than anywhere else in the UK. They see policing as less of a priority than elsewhere, perhaps reflecting Northern Ireland's unique security landscape.

Thinking about as the UK recovers from the COVID-19 pandemic, which two or three, if any, of the following areas do you think should be prioritised to receive public spending?



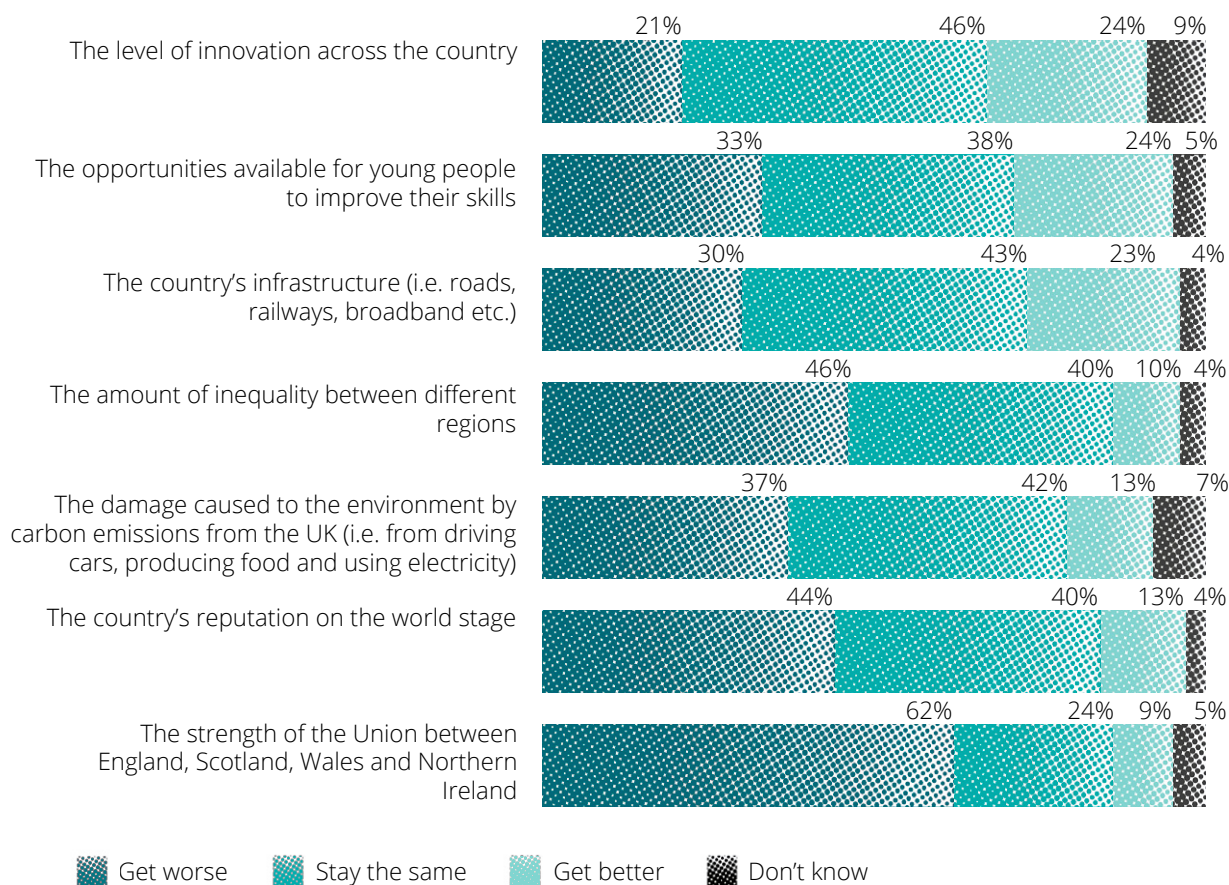
Base: 420 Online NI adults 16-75

# Northern Ireland

As in other parts of the country, people in Northern Ireland appear to have been left more pessimistic than optimistic for the future after 20 months of the pandemic.

Their views on a range of government priorities suggest that they expect to see little improvement in the years ahead. People in Northern Ireland are much more likely to say that the strength of the Union with England, Scotland and Wales is set to get worse. Some 62 per cent of people in Northern Ireland expect it to decline compared to a UK average of 51 per cent.

Thinking about the next few years or so, do you think that each of the following will get better, get worse or stay about the same in the UK?



Base: 420 Online NI adults 16-75

# Northern Ireland

Our citizen survey asked how much people trust different layers of government across a range of criteria. People in Northern Ireland, Scotland and Wales were asked about their administration as well as the UK Government.

As this chart shows, trust for the devolved administrations in Scotland and Wales is relatively buoyant compared to levels of trust in Northern Ireland. It seems likely that the Executive's lengthy absence has taken a toll on public confidence in the devolved government that might take some time to rebuild.

To what extent, if at all, do you trust .... to...?



Base: 5,792 Online UK adults 16-75

Figures shown are % net trust (great deal/fair amount minus not very much/not at all)

# Scotland

## The State of the State





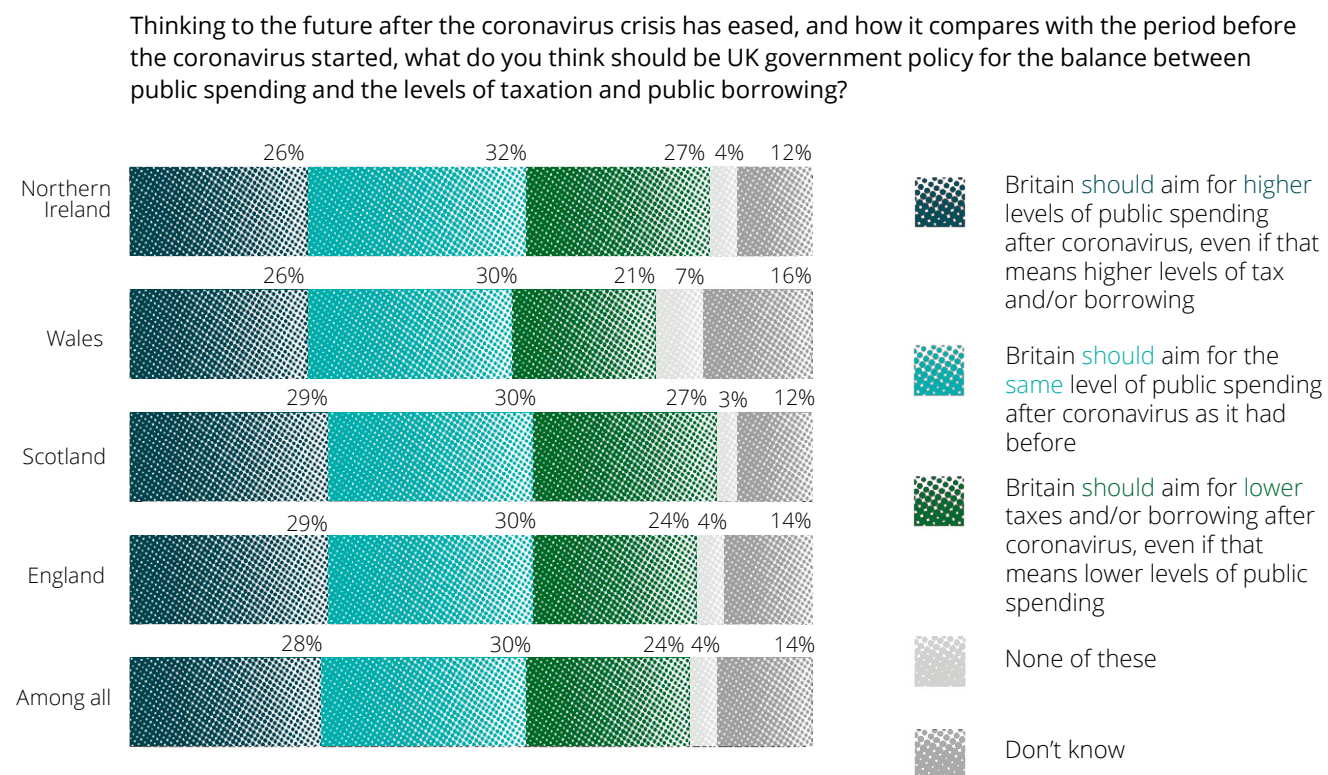
# Scotland

Since 2012, *The State of the State* has reported on the growing divergence between the politics and policies of the devolved administrations and the UK Government. This year sees a more complex picture as our survey finds different perspectives on government and on social mobility across the UK's four nations, but some convergence of attitudes to public spending.

During the austerity years of the last decade, our citizen survey found the public backing higher levels of public spending and higher levels of tax to fund it. That was especially true in Scotland, where the public were consistently the UK's most keen on a higher tax and higher spend environment.

This year has seen a shift in attitudes. Perhaps driven by concerns over the cost of the pandemic on the public purse, and worries over household incomes, our survey this year found the public evenly split over tax and spend. In Scotland, 29 per cent of the public want to see higher levels of spending after the pandemic. Some 30 per cent want to see the same balance of

tax and spending as before the pandemic began and 27 per cent would like to see tax cuts and spending cuts to match. Views in Scotland are now broadly the same as those in the rest of the UK, as this chart shows.



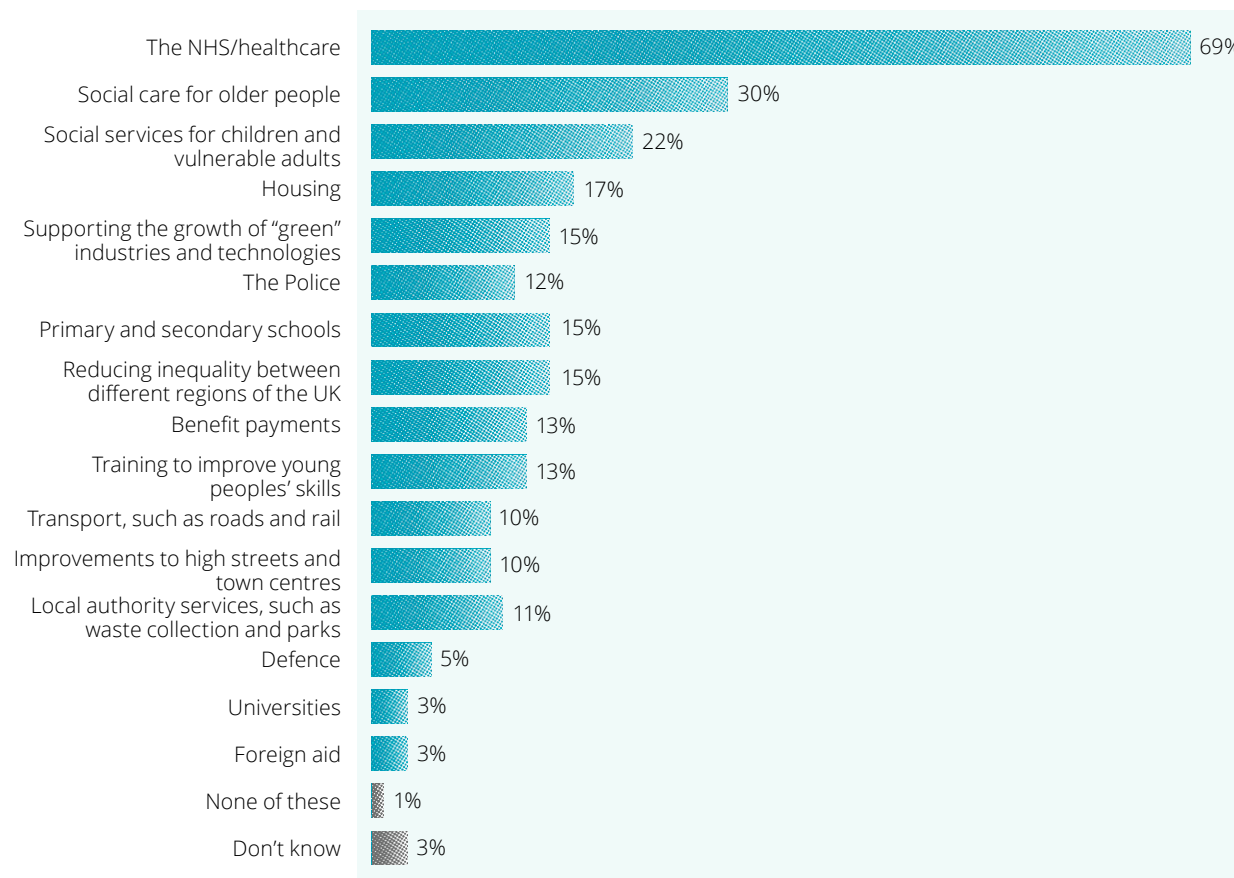
Base: 5,792 Online UK adults 16-75



# Scotland

Our *State of the State* survey also asked people to name two or three spending priorities as the UK recovers from the pandemic. The Scottish public's views were in line with the rest of the UK public with health and social care as the most frequently named priorities, as this chart shows.

Thinking about as the UK recovers from the COVID-19 pandemic, which two or three, if any, of the following areas do you think should be prioritised to receive public spending?

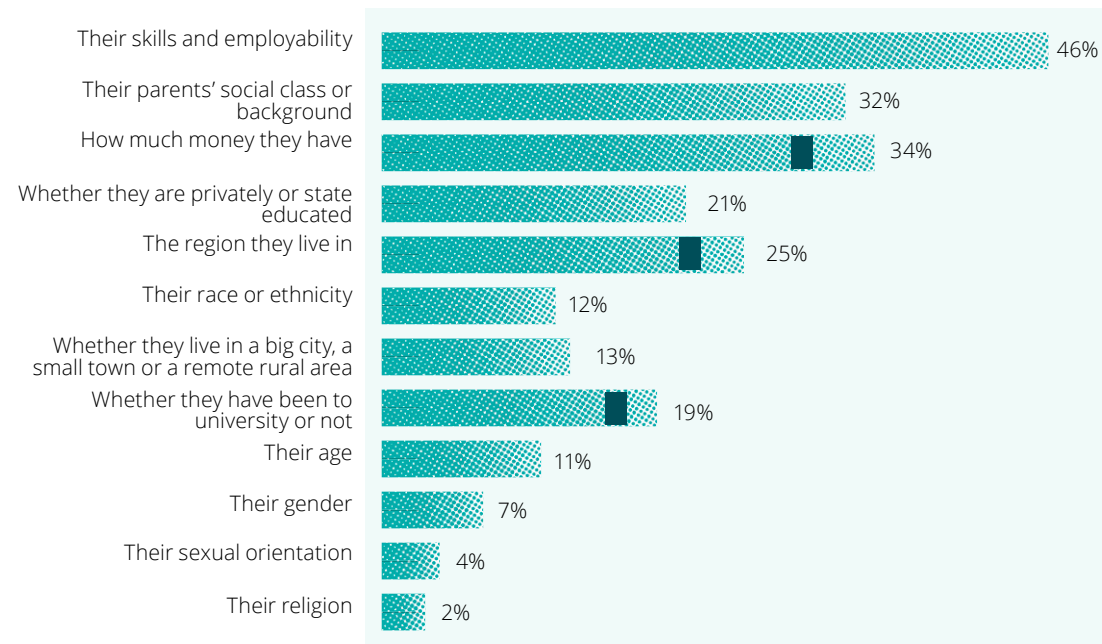


Base: 874 Online Scottish adults

# Scotland

However, Scotland's views on social mobility appear to differ from the rest of the UK. People in Scotland are more likely to say that someone's wealth and the place they live in are important indicators of whether they can get ahead in society. There are also more likely to say that going to university is a key factor.

Which two or three of the following, if any, do you think are most important in determining whether someone is able to get ahead in society?



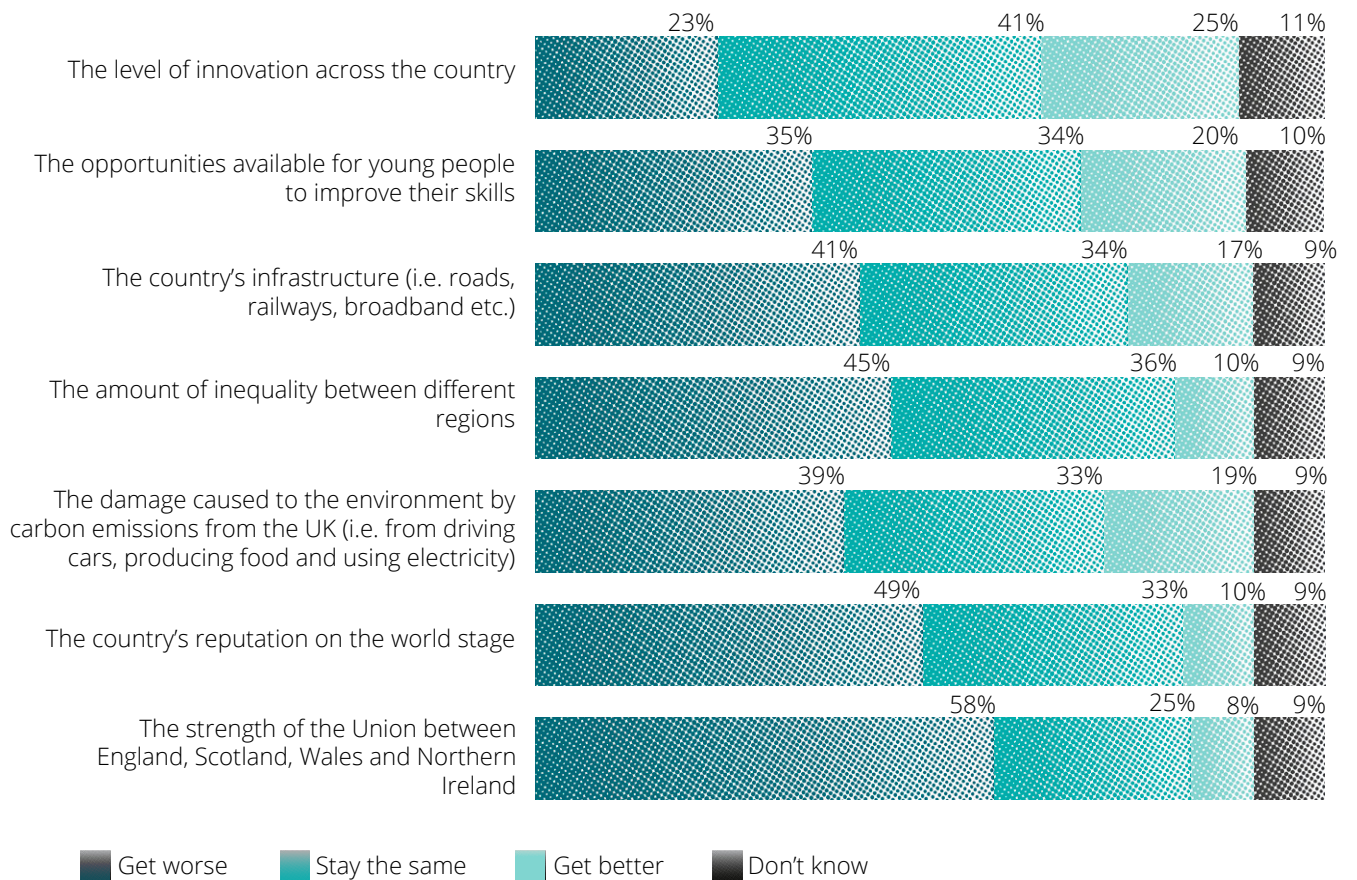
■ UK (significant differences) ■ Scotland

Base: 874 Online Scottish adults 16-75

# Scotland

Levels of optimism for the future are as limited in Scotland as the rest of the UK, with the majority of the public believing their infrastructure and other elements of public life are unlikely to improve. Some 58 per cent of the Scottish public think that the strength of the Union is set to get worse.

Thinking about the next few years or so, do you think that each of the following will get better, get worse or stay about the same in the UK?



Base: 874 Online Scottish adults

# Scotland

Our survey also asked people about the levels of trust in different layers of government across a range of criteria. It found that confidence in the Scottish Government among the people of Scotland is relatively buoyant and is highest across all administrations in terms of taking care of personal data and responding to citizen concerns, as this chart shows.

To what extent, if at all, do you trust .... to...?



Base: 5,792 Online UK adults 16-75

Figures shown are % net trust (great deal/fair amount minus not very much/not at all)

# Scotland

Our interviews with public sector leaders in Scotland found similar experiences over the past year as their peers in the rest of the UK. Several told us that their people – especially at the frontline of public services – are tired after 20 months of battling the pandemic.

Looking ahead, they warned of a long path back to normality and especially to deal with backlogs in the NHS. One senior figure expects that a complete recovery from the impact of COVID-19 will take the NHS in Scotland ten years.

In the short and medium term, the public sector leaders we interviewed anticipate some tough decisions as emergency COVID-19 funding comes to an end.



**We're closer to system collapse than we've ever been. It's not just COVID, it's staff exhaustion, it's people trying to book annual leave they accrued from last year, it's people saying there's more to life than work, then we've built all this pent-up demand where people who had mild problems have now got urgent problems.**

NHS leader



**We've got some weary services and people who are exhausted.**

Council Chief Executive



**The challenge for the year ahead is money, money, money. It's going to be tight and COVID has masked a lot of what's been happening.**

Agency Chief Executive



# Scotland

The prospect of a second Scottish independence referendum looms large over Scotland's politics, and several of our interviewees told us that it adds a layer of context to any discussion about the future. One senior civil servant told us that he expects the debate to ultimately end with a Supreme Court decision on whether the Scottish Government or the UK Government alone has the right to trigger a referendum.

In the meantime, public sector leaders in Scotland have observed a growing level of intervention from the UK Government in devolved matters, not least through the Levelling Up fund.

Beyond the centre, leaders in public services warn that Scotland's size can mean the centre risks drifting into micro-management of local government and other parts of the system.



**Post-Brexit, the Internal Market Act gave the UK government powers to spend in devolved nations and that's part of the reason why relations are more strained than they have ever been. The UK government is leaning in, it's more pro-active and it's more visible in Scotland.**

Senior Civil Servant



**Scotland's challenges are the same as the UK's challenges. What sets us apart is the overhang of a second referendum. We're stuck in an endless loop of chatting about it.**

Higher Education Leader



**The Scottish Government wants to be in charge of everything and is even more centralising than the UK Government. Scotland is a big village in relative terms and COVID gave them a taste of running everything.**

Council Chief Executive

Source: Research interviews with 53 key figures

# Wales

## The State of the State



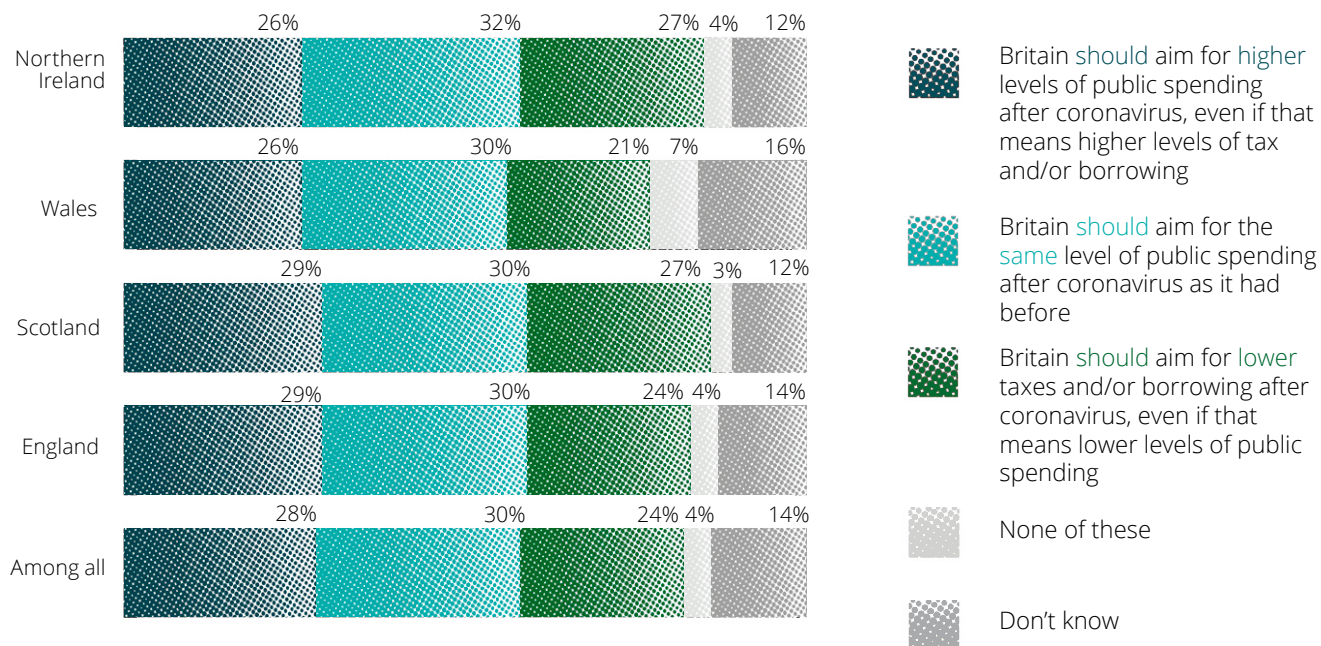
# Wales

Since 2012, *The State of the State* has reported on the growing divergence between the politics and policies of the devolved administrations and the UK Government. This year sees a more complex picture with views between nations diverging in some areas and converging in others.

People in Wales are the UK's most convinced that public spending, and the taxes needed to fund it, are set to rise beyond the pandemic. Some 63 per cent of the public in Wales believe that to be the case compared to a UK average of 56 per cent.

Preferences towards tax and spending have shifted in Wales along the same lines as the rest of the UK with the public broadly split on the ideal balance.

Thinking to the future after the coronavirus crisis has eased, and how it compares with the period before the coronavirus started, what do you think should be UK government policy for the balance between public spending and the levels of taxation and public borrowing?

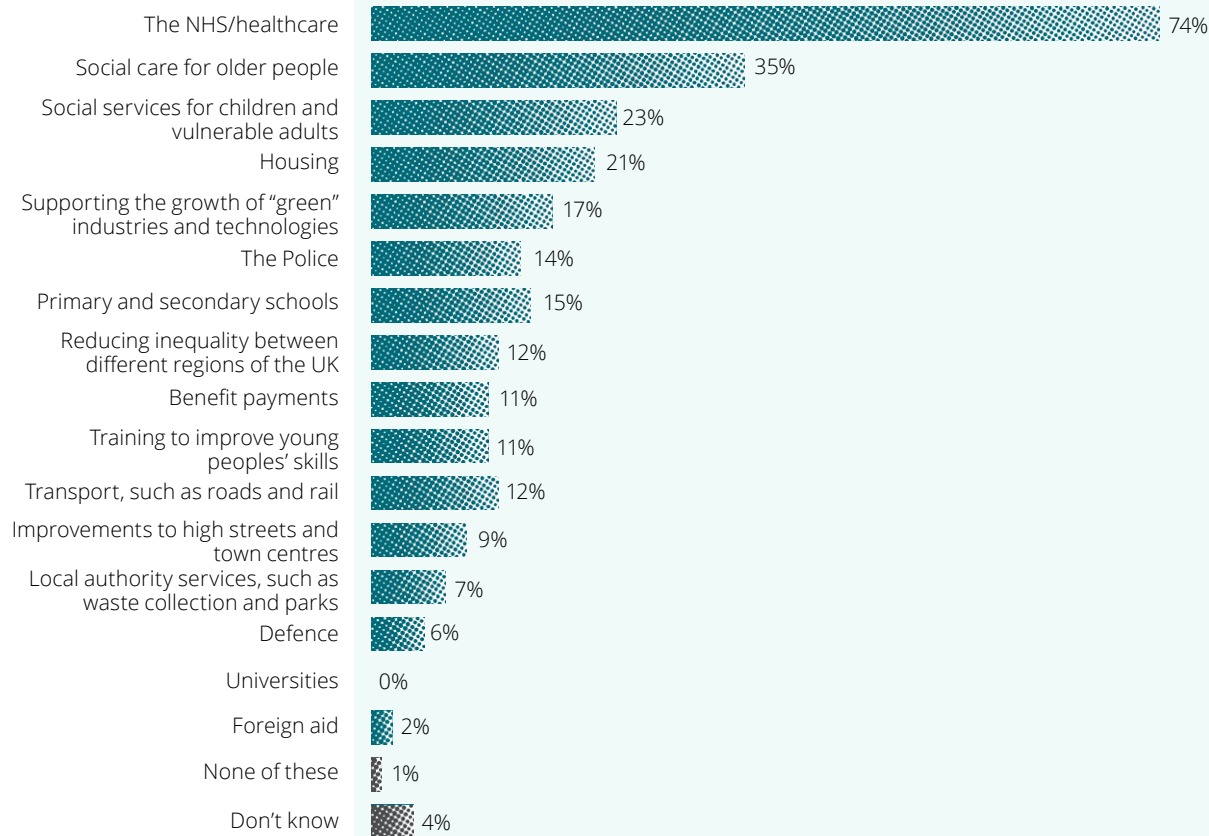


Base: 5,792 Online UK adults 16-75

# Wales

Our survey asked people to name their priorities for government spending as the UK recovers from the pandemic. The public across all nations agree that spending on health and social care should be a top priority, but people in Wales see NHS spending as a particular priority. Some 74 per cent of the Welsh public described it as a top priority compared to a UK average of 68 per cent.

Thinking about as the UK recovers from the COVID-19 pandemic, which two or three, if any, of the following areas do you think should be prioritised to receive public spending?



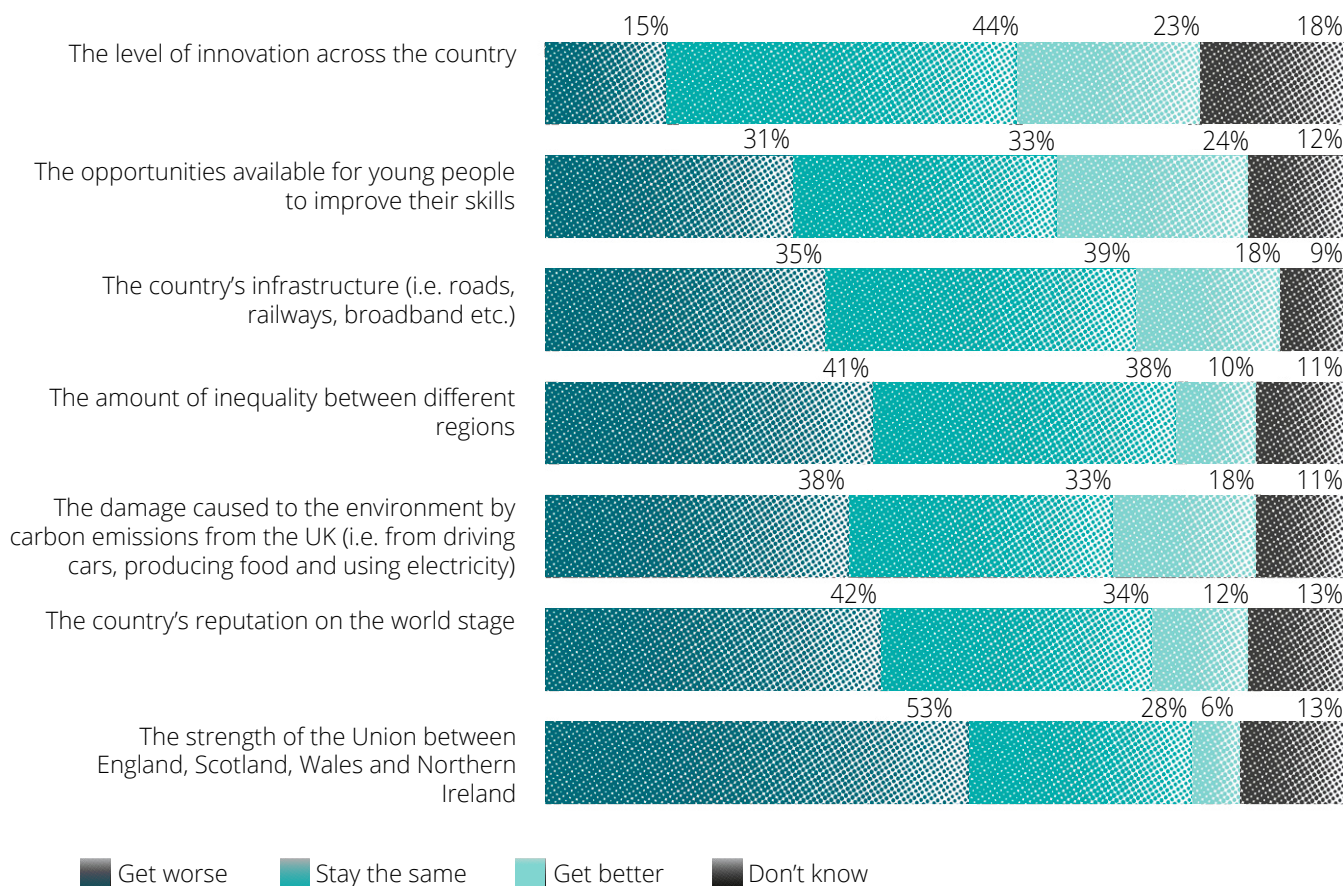
Base: 714 Online Welsh adults 16-71



# Wales

As in the rest of the UK, the Welsh public largely expects society to stay much the same as it was before the pandemic, with limited optimism for improvements in the years ahead. More than half feel that the strength of the Union between England, Scotland, Wales and Northern Ireland could get worse – which is slightly more pessimistic than the English but notably more optimistic than those in Scotland and Northern Ireland.

Thinking about the next few years or so, do you think that each of the following will get better, get worse or stay about the same in the UK?



Base: 714 Online Welsh adults 16-71



# Wales

The Welsh Government appears to be the most trusted administration in the UK, according to our survey. Across five out of seven criteria, people in Wales ranked their devolved government as more trusted than elsewhere.

Trust is particularly high around treating employees with respect, taking environmentally responsible decisions, making decisions informed by evidence, treating citizens with respect and generally doing the right thing for society. It is lower around trust to deliver major projects on time and on budget, which is a trend in public attitudes to all layers of government.

To what extent, if at all, do you trust .... to...?



Base: 5,792 Online UK adults 16-75

Figures shown are % net trust (great deal/fair amount minus not very much/not at all)

# Wales

Our interviews with public sector leaders in Wales found a sense of pride in its national response to COVID-19. Several suggested that it has raised the devolved administration's profile with the public – which chimes with our citizen survey results – and that the Welsh Government's confidence has grown as a result.

Officials in Wales are less concerned with the politics of devolution than their peers in Scotland and Northern Ireland, but the Welsh Government continues to diverge from the UK in its policymaking. As one council chief executive observed, 20 years of relatively modest devolved differences now amounts to some substantially different approaches.

Business executives across the UK told us about mixed experiences of engagement with government. In Wales, one business leader lauded the Social Partnership, which is already active but comes fully into law in 2022, as a constructive platform for conversation between business, government and unions.



**The Welsh Government came into its own on COVID. They were able to make decisions that mattered so this new government is just that bit more confident. A lot of people hadn't really engaged with the Welsh Government before COVID and just assumed everything happened in Westminster, so COVID has left the public more interested.**

Senior Civil Servant



**The policy divergence between home nations is more pronounced than people recognise. Twenty years of small differences turn into a big basket of differences.**

Council Chief Executive



**The Social Partnership in Wales gives us a different dynamic in the relationship between business and government because it means businesses and unions and the Welsh government meet on a regular basis. Apparently it's commonplace in Europe, and I think Scotland are keeping an eye on us.**

Business Leader

Source: Research interviews with 53 key figures

# Wales

Looking ahead, public sector leaders in Wales talked about significant challenges and major opportunities as the nation recovers from COVID-19.

As in other parts of the UK, officials in Wales are particularly concerned for the sustainability of social care. One key figure argued that the public does not just want to protect the NHS but has a stake in social care as well. Several raised workforce concerns as a central issue that needs to be resolved.

Amid this time of challenge, officials are optimistic for the future of Wales. Some told us about opportunities for the public and other sectors to move fast on digital transformation which has attracted senior support and significant investment from the Welsh Government.



**Right now is the most difficult time for social care in decades because of ten years of real cuts to local authority budgets. We all love the NHS but it's consuming more and more of the budget in Wales as well as the rest of the UK. The public has this desire to protect the NHS but we need to have a conversation – is it all they are worried about?**

Social Care Leader



**Our next challenge is in social care and especially the workforce. If you're paid £15 an hour to support someone at the end of their life and you can get the same money packing a supermarket shelf, what are you going to do?**

Council Chief Executive



**Wales has a big opportunity on digital. The First Minister has signed off a strategy and Wales is small enough for what we do to have a big impact. We can fundamentally change things, and there's real money. We're not scrabbling around and that means things can get done.**

Agency Chief Executive

Source: Research interviews with 53 key figures

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