



# The Enabling State: A discussion paper

Sir John Elvidge

# Acknowledgements

This discussion paper was written by Sir John Elvidge KCB FRSE on behalf of the Carnegie UK Trust. Sir John is leading the Trust's Enabling State project as a Carnegie Fellow in 2012/13.

Internal review and editing was carried out by Jennifer Wallace, Policy Manager, Martyn Evans, Chief Executive and Jenny Brotchie, Policy Officer of the Carnegie UK Trust.



The text of this work is licensed under the Creative Commons Attribution-ShareAlike 3.0 Unported License. To view a copy of this license visit, <http://creativecommons.org/licenses/by-sa/3.0/> or send a letter to Creative Commons, 444 Castro Street, Suite 900, Mountain View, California, 94041, USA.

## Foreword

**We are at a time of extensive debate about many aspects of the purpose and nature of our governments, of our concept of society and the relationship between the two.**

In the context of global financial shocks, ageing populations and climate change, many now feel that it is the time to look afresh at the relationship between society and government. Models of government developed since the middle of the last century have, to a large extent, served us well but are increasingly called into question.

Our strategic focus is improving the wellbeing of the people in the UK and Ireland. The biggest opportunities to improve wellbeing are found by focusing on those who face the greatest obstacles in living the life they wish to live. At a time when there is widespread belief that change is required, we believe that those with disadvantages to overcome are at greatest risk if we do not ask the right questions or if we fail to find the best answers.

We do not see these discussions as party political in nature. Our perception is that all political parties are asking their own version of these questions and advancing ideas which contain a lot of common ground. We do not think it is helpful for this to be a competitive rather than a collaborative discussion. We also do not believe that this discussion should occur in silos, be they geographical, based on groups of service users or on current government departments. We need to learn from each other, and there is a clear need to consider the issues ‘in the round’ rather than compartmentalising them as if each service had no impact on the others.

This document is the start of our Enabling State project, not the end. In the process of debate around the UK and Ireland we hope to draw out the areas of agreement and highlight where there are tensions. This discussion paper is sometimes provocative in the questions and judgements which are advanced as a means of doing so. You may not agree

with all the assertions but we hope that you will engage in the process of our work over the coming months.



**Martyn Evans**  
Chief Executive  
Carnegie UK Trust

# Contents

<b>1.</b>	<b>What are we talking about?</b>	<b>6</b>
<b>2.</b>	<b>Is change required?</b>	<b>9</b>
2.1	Arguments about the effectiveness of current systems	9
2.2	The systems we have are unsustainable	10
2.3	Citizens want a different relationship with public services	12
2.4	A word on the counterarguments	13
2.5	From technical to adaptive solutions?	14
<b>3.</b>	<b>What kind of change do we need?</b>	<b>15</b>
3.1	The perspective from outside central government	16
3.2	The need for a new approach	24
<b>4.</b>	<b>What if?</b>	<b>26</b>
4.1	Starting at the bottom	26
4.2	Re-defining the role of the state	29
<b>5.</b>	<b>The Enabling State</b>	<b>33</b>
5.1	Public services as enablers	33
5.2	Implications of an ‘enabling state’ model for governments and public services	36
5.3	A return to joined-up government	37
5.4	Towards the idea of government as a single entity	41
5.5	Towards shared outcomes for public services	43
<b>6.</b>	<b>Next steps</b>	<b>46</b>

## 1. *What are we talking about?*

**There is a debate in progress across the UK, and in much of Europe, about the role of governments. It takes different flavours in the devolved nations and policy-makers, stakeholders and the public in general use a variety of words to describe and take part in the debate.**

The Carnegie UK Trust wishes to generate further debate on

these issues across the UK and Ireland, and possibly beyond, about a set of questions and ideas. This document sets out to stimulate that debate, rather than to prescribe a set of answers, but it does embody a broad analysis. By exploring differences and similarities across the UK and Ireland, we believe we can better understand what this debate means.

### **The essential points of our analysis are:**

- 1) **Change** - fundamental change is required in the way we think about the relationships between communities, families and individuals and the state if we are to continue to improve wellbeing in our society.
- 2) **Communitarianism** - giving a central place in our thinking to the capacity for communities, families and individuals to provide mutual support and self-help is the most convincing way to add to the wellbeing we have now.
- 3) **Continued Public Services** - effective public services make a valuable contribution to our present wellbeing. We do not wish to lose our understanding of the value of those services, but we should acknowledge what we have learnt from the period since the introduction of the Welfare State about what they do not provide or do not provide well.
- 4) **Enabling State** - the state has a vital future role in enabling the capacity of communities, families and individuals to grow wellbeing, in addition to maintaining an underpinning framework of excellent public services. This would require the state to mould itself around that capacity and respond to it, both in facilitating the growth of non-state capacity and in the way it organises the important continuing contribution of public services.

This paper is the first step in the Carnegie UK Trust *Enabling State* project. Over the next nine months, we will be meeting with people across the UK and Ireland to discuss the ideas contained within the paper. We will be meeting with people from the third sector, business community and representatives from local, devolved and UK government.

The paper aims to stimulate debate and we have set out a number of key questions. We'd be interested to hear your views on the questions, and the issues raised in this paper. You can contact the *Enabling State* team by emailing Jennifer Wallace at [Jennifer@carnegieuk.org](mailto:Jennifer@carnegieuk.org)

## Key questions raised in this discussion paper:

- 1) Is it the right time for change, for substantial rethinking of the relationship between society and the state?
- 2) Is communitarianism, helping people build their capacity for mutual help, the right foundation of change?
- 3) Should the state develop an enabling role around building capacity, alongside its role in continuing to provide public services where their effectiveness is clear?
- 4) What actions are needed in your region or country to assist change?





## 2. *Is change required?*

**In our initial discussions, we have found more of a consensus that change is required than we have about why that is. This section sets out some of the main arguments we have heard, to help people both to be clearer about their own starting point and to understand more of the views of others.**

### **2.1 Arguments about the effectiveness of current systems**

#### *2.1.1 The law of diminishing returns*

This argument is that the post-war model of government organisation and functioning has delivered success in many important respects, but that we now have the evidence to enable us to see where the limits of that success lie. This model, which has been so successful in key areas of life in our society, is now either delivering diminishing returns in relation to the remaining challenges in those same areas of success or is failing in relation to some major policy objectives, which governments of various political complexions have pursued with essentially the same broad intent over several decades.

The common feature of the shortcomings in performance is that they affect most severely the interests of those in society who are already the most disadvantaged.

One example is the persistent failure of the education systems (which enable the majority of young people to achieve a level of education, enhancing their opportunities in the rest of their lives) to enable a minority of about one in five young people to reach even a minimum acceptable level of education, with consequences for their life chances which most will not be able to overcome.

The widening gap in age of death for people drawn from different social backgrounds, over a long period when successive governments have sought to narrow the gap, is an example from the other end of the age spectrum. Another example, common to young and old, is the failure to break up long-established geographical concentrations of disadvantaged households.

Successive governments have sought to do this for decades, with

the consequence that behaviours and attitudes associated with relative social and economic failure are often reinforced by the dynamics of these communities.

These failures, which a prosperous and caring society cannot continue to accept decade after decade, do not flow from shortcomings in thoughtfulness about policy or financial resources to back policy or sustained political commitment. Their persistence - and the existence of similar failures in other developed countries - points to the need for some more fundamental change in society's approach.

### *2.1.2 The changing nature of the challenges facing public services*

A separate analysis, highlighted by a recent collaboration between academics in Finland and France interested in the future organisation of national governments, is that whatever the merits of models of government in the past, change is required to deal with the changing nature of some of the challenges faced by government. Increasing complexity and an increasingly global nature are key common features of these challenges; for example, the financial crisis, climate change, and international

terrorism. The key argument is that our past experience of what works in government does not give us a sufficient basis for tackling these new challenges and that we need to adopt a more integrated model of government to provide the strategic agility required to deal with them.

These two arguments, one about the conclusions we can read from past performance and one about how well placed we are to cope with future challenges, are not, of course, mutually exclusive.

## **2.2 The systems we have are unsustainable**

### *2.2.1 Public services are unaffordable*

Some of the arguments which are most commonly heard at the moment centre on money. Even before the international financial crisis, some people would argue that we were building up financial pressures that future generations would not be able to cope with or that it was unfair to place such burdens upon them at all. The costs associated with people leading longer lives are making increasing demands on public expenditure through pensions and social and health care costs. More

generally, an increasing proportion of public expenditure is consumed in meeting our short-term purposes, right across the population, and a diminished proportion in investing in the creation of assets with long-term value. Those trends have led some people to argue that we have developed a range of expectations of what should be provided through collectively funded services which is unsustainable because, cumulatively, it exceeds our willingness to pay for collectively funded services through taxation.

A different argument is that a smaller public sector is desirable in itself, either on the basis of scepticism about, or antipathy to, the role of the state in relation to the lives of its citizens, or on the basis of a belief that taxation should be minimised, or both. This is a stronger tradition of thought in the US than it is in the UK or other European countries.

### *2.2.2 Public services are unaffordable (for now)*

A variation on this line of thought is the view that although it is desirable in normal times to have as large - or larger - a range of provision through collectively-funded services as

we had developed at the recent high point in levels of public expenditure, the impact of the recent financial crisis requires a different approach for a considerable period. The length of that period is related to the time required for the proportion of the public finances which are consumed by debt repayments to reduce enough to return us to a position where we are able to spend on public services and investment the amount, in real terms, which we had built up to spending just before the financial crisis. On the best present estimates, that period is longer than 15 years. That is too long a time to ignore the purposes on which public money would have been spent if the financial crisis had never happened, so fresh thinking is required about how else to provide for those purposes.

### *2.2.3 Public services are inefficient*

An alternative view is that the availability of collectively-provided money is not the issue, but that the way the money is spent is inefficient. On this view, the expectations we have of what can be provided from collective funding do not need to be reduced, but the way in which provision is organised requires to change.

This leads to propositions about reorganisation of the public sector, regulation or competition within the public sector, and competition and/or partnership between the public sector and the voluntary and/or private sectors.

### **2.3 Citizens want a different relationship with public services**

The need for change in public services is sometimes put forward on the basis that collectively-funded services should be more closely tailored to the different needs of different recipients and sometimes put forward on the basis that changed relationships would be better in principle - or both.

One of the issues which has come to the fore over the past decade or two is our desire that services of all kinds should be more tailored to what we want. This is true whether the services are provided by the private sector or the public sector, paid for out of our taxes or out of our own money. It is a particular challenge in our dealings with collectively-funded public services, because we also attach great importance to the principle that public services should deal fairly with the needs and preferences of different people. Obviously, the more responsive to our individual

preferences public services seek to be, the more complex and difficult it is to be sure that fairness is being achieved.

One of our responses to this has been to add privately obtained elements to what public services offer. A very large proportion of us add to what the NHS offers us by buying vitamins and minerals from the shops, or by going to the gym or organisations such as WeightWatchers. Sometimes, we go for a do-it-yourself version of that. We might join a local sports club or fitness group, or take up jogging or going for walks for the good of our health. We may also follow diets or even make our own remedies.



In another highly valued area of the Welfare State – education – many parents augment what the school system offers their children in a variety of ways. Children benefit from educational toys for pre-schoolers, they have books to read at home, educational software for home computers, as well as trips and holidays to interesting places. There is also top-up private tutoring. The fact that this may even be on offer at weekends at your local supermarket underlines that this is not uncommon. Again, there is a large do-it-yourself element in passing on skills to children – such as cooking or mending a bike – or helping them learn through play with word games, board games or playing cards, as well as physical games which require understanding rules or scoring. For some of this we come together beyond the family, for example in a mothers’ and toddlers’ group.

## 2.4 A word on the counterarguments

The existence of such a range of reasons why someone might come to the view that change is necessary explains why a readiness to discuss and embrace change may be at a higher level now than it has been for some time.

This is not to deny that there are points of view which do not fall within the common ground. There have been strongly held viewpoints over recent decades which substantial groups of people continue to hold and which can lead their adherents to believe that a wider debate about change is unnecessary.

There are perhaps two main ones:

- 1) **The belief that substituting the private sector for the state, without necessarily rethinking other relationships, is sufficient to overcome difficulties. This view dominated thinking in the UK in the 1980s and into the 1990s and is still a strong and recognisable thread in political debate, if no longer the dominant view.**
- 2) **The belief that the problem is essentially a managerial one within the public sector and that setting clear targets, measuring performance, spreading best practice and punishing underperformance will be sufficient to overcome difficulties. This view, sometimes called New Public Management, began**

**to dominate thinking from the end of the 1980s and reached a high point of dominance under the Labour and Labour-led governments within the UK in the last decade.**

Both views have in common the perception that the solutions required to address particular problems are known and that the key issue is the efficiency with which they are implemented.

## **2.5 From technical to adaptive solutions?**

By contrast, the proposition in this paper is that, to borrow the words of Donald Rumsfeld, we should focus increasingly on ‘known unknowns’ and ‘unknown unknowns’ and what we can do about them, whilst being less content to operate within the limitations of ‘known knowns’. Our themes are derived from a focus on those things we (and those in other countries) have not been achieving and our belief that a caring society should not tolerate the persistence of those things and the human cost which they entail.

Another American, the academic Ron Heifetz, uses language which

is also useful. He makes a distinction between ‘technical’ solutions - those which involve doing again what we already know works - and ‘adaptive’ solutions - those which involve finding new ways to do things which will work now, where doing things which have worked in the past no longer work as well. For example, our past reliance on parents, particularly mothers, to undertake the full-time care and socialisation of children in their earliest years has worked less well as an increasing proportion of children have parents who work full or part-time and we have had to turn increasingly to solutions which allow for that. We are clear that the change we require now necessitates solutions of the second kind. We may weave into our thinking learning from what has worked in the past and from things which work now, even without a more supportive general approach, but our future success cannot be achieved without some fresh thinking.

### 3. *What kind of change do we need?*

**If one accepts that one can make a case for change in the way governments operate, using one or more of the lines of argument sketched out above, the obvious question is: ‘What form should the change take?’.**

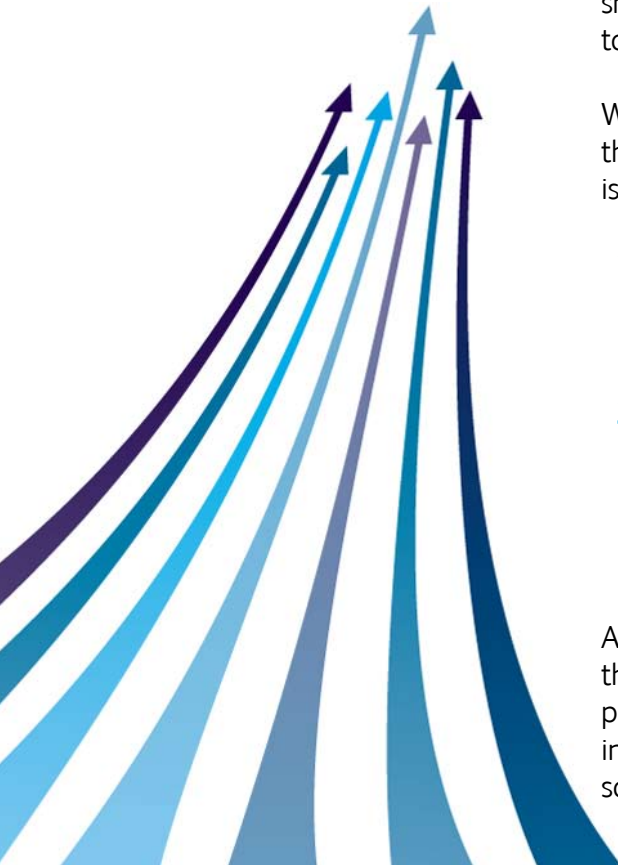
The answer to that question should meet one key test: that the effect on the lives of citizens should be better than if change had not taken

place. Change, even in the context of public expenditure constraints, does not need to imply that improvements in social outcomes are unachievable. We believe strongly that society can continue to aspire to improvements in our aggregate quality of life, and that both common humanity and enlightened self-interest should drive us to offer opportunities to those whose quality of life falls well short of what most of us are able to enjoy.

We offer two propositions about the nature of change which is needed:

- 1) it should involve continuing the functions of government more effectively; and**
- 2) it should involve a refreshed relationship between government and communities, families and individuals.**

As with the arguments about the reasons for change, these propositions are already present in public dialogue about how societies can secure greater



wellbeing for their members and versions of both propositions exist across the political spectrum.

To illustrate this, no political party has a monopoly on bringing forward proposals for what is often called ‘joined-up government’. Similarly, all political parties have tended to advocate greater localism, a stronger role for the voluntary sector and greater responsiveness to individual and family circumstances as principles in various aspects of government activity. These core ideas are therefore not contentious. What is more challenging is the weight which we give them, and whether we are willing to rethink the way government operates in order to treat them as core principles, rather than ‘add-ons’.

It is important to see potential changes in the way government operates through the lens of potential changes in the relationship between government and others. Change within government is not sufficient on its own to enable economic and social aspirations to be fulfilled.

As the idea of ‘other’ embraces all parts of our society, it is helpful to break down thinking about this into some of the broad categories

which make up our society. For present purposes, we suggest five categories: businesses; local authorities and other locally-controlled parts of the public sector; the professionalised third sector, such as the major charities; the organised voluntary sector; and individuals, families and communities in all their many and various interactions with government and the wider public sector.

### **3.1 The perspective from outside central government**

#### *3.1.1 The business sector*

The business sector is an interesting category to look at first because businesses tend to be clear that they wish to be as free as possible to fulfil their own ambitions in the ways which seem to them most conducive to success. Hence the unvarying push from the business sector for less regulation, although this has to be seen in the context of the sector’s desire for government to provide protection against unfair competition (and sometimes against fair competition). Alongside this general push for greater freedom in the operation of individual businesses, there is an expectation that government will provide a variety of systems,



or frameworks, which facilitate the conduct of business. This could be, for example, a transport system to allow goods to be moved efficiently and for people to travel to and from their place of work reliably, or a legal framework and legal system for the operation of contracts and, where necessary, their enforcement.

At periods in our history, there has been broad endorsement for the propositions that government should manage the functioning of the labour market and that government should invest selectively in individual businesses or business sectors. This has not been the majority view for the past 30 years or so. In recent economic circumstances, there has been a resurgence of the view that government should do more to benefit businesses, with the objective of preserving existing jobs or stimulating the availability of new ones, but most of those who advocate that appear to regard it as a temporary intervention to see the country through hard times. The dominant view within both government and the business sector (and reinforced by the disciplines of European Union legislation) remains that government should not routinely intervene in the functioning of

business unless there is 'market failure'. In other words, unless there is evidence that leaving the participants in the market economy free to make their own choices is leaving unfulfilled some outcome which is necessary or desirable in the public interest.

### *3.1.2 Local authorities and local public services*

It is interesting to look next at local authorities because, although through the eyes of citizens and businesses they are themselves part of government, they share with the business sector a general view which is unchanging from one decade to the next - that government, by which they mean central government, should intervene as little as possible in their freedom of decision making. Like the business sector, this view coincides with an expectation that central government will provide some systems or frameworks to facilitate their own activities; for example, a system to augment locally-raised finances with centrally-raised finance or an examination system within which schools can operate. Again, as with the business sector, freedom of operation by local authorities is seen as the guiding principle and belief in 'localism' is the broad equivalent to belief in the benefits

## Personal reflections: learning from the experiences of housing associations

One example of the move towards more communitarianism is the attention given to the emergence of housing co-operatives in the late 1980s and early 1990s. Such co-operatives were formed by groups of tenants of local authority housing, usually in areas where socially disadvantaged households were clustered and confidence by residents in the local authority to improve their area had fallen to a low level. They were enthusiastically supported by the then Conservative government, for the same reasons as underpinned support for community-based housing associations more generally and through the same broad financial framework. However, they also appealed to the co-operative and community development traditions within the Labour Party. Expectations grew rapidly that they could move beyond their initial successes in planning, supervising and sustaining physical improvements in their houses and the surrounding areas. Those in government and those with an enthusiasm for communitarian approaches hoped that tenants' co-operatives could become the basis for development of community owned businesses to tackle a range of issues which were central to the difficulties faced in the most disadvantaged communities: access to services, employment opportunities and the preparation of young people for employment.

As it turned out, the rapidly growing enthusiasm to extend the role of housing co-operatives resulted in efforts to go too far too fast. Unreasonable expectations were placed on the shoulders of the key participants. They were often remarkable individuals, but they were asked to develop the capacity to undertake more and more responsibility without any systematic effort to help them enhance their own capabilities and develop others' around them. The attempts to graft extra responsibilities onto housing co-operatives proved unsustainable.

of a market economy. Localism has been less readily accepted, though, within central government than the benefits of the free market. Whereas we can see within the UK over the past 20 or so years that many activities which were once handled within the broad framework of government have been transferred into the market economy, it is often argued that the freedom of local authorities to do things in the way which fits their view of local circumstances, needs and preferences has been greatly diminished.

### *3.1.3 The professional third sector*

There is much less of a history of debate about the relationship between government and the professional third sector. The assumption that organisations such as major charities should be free from government interference is entrenched in our definitions of what it means to be a charity. The regulation of charities has been consistently light of touch and that part of the professionalised third sector which consists of social enterprises is not regulated differently from the business sector. Insofar as there has been a debate about the relationship with government, it has tended to focus on two propositions - that charities are

more expert than government in relation to the areas of life on which a charity is focused; and that charities and social enterprises can deliver public services more effectively than the public sector.

Taken together, these propositions constitute a third variant on the theme also present in relation to the business sector and local authorities that the direction of change should be away from government and towards these constituent elements of society. In all three cases, an important part of the argument for the direction of change is that the members of each category understand, each in their own way, the requirements of people better than government (or, in the case of local authorities, central government).

### *3.1.4 The voluntary sector*

The organised voluntary sector is distinguished from the third category principally by the word 'voluntary'. Just as organisations in the professionalised third sector may draw upon the services of some volunteers, but are predominantly comprised of paid staff, so the converse is true - voluntary sector bodies may have some paid staff, but they are predominantly composed of

volunteers. Some are charities but, with notable exceptions such as the WRVS, they are less likely to be large organisations. Many are small and much more visible to those in the localities which they serve than they are from above. They may, in fact, be invisible to those in government at national level. They may also share with individual businesses the desire to be left alone to get on with the job and a lack of that interest in influencing government policy, which is, by contrast, often a key feature of the professionalised third sector. For its part, government has tended to be content to leave such organisations alone (except to the extent that the regulatory frameworks for charities or businesses catch them in their nets). From time to time, though, one or more parts of the political spectrum will seize upon this category as the potential key to a changed relationship between government and communities, families and individuals.

More recently, the current UK Government has taken the fact that the organised voluntary sector, in all its manifestations, is a huge and successful element in our society as the starting point for aspirations that it can grow further and that it can take on a

larger role. This is strikingly similar in some ways to the example of housing co-operatives, although the expectations rest on a more numerous and more diverse group of organisations. Many of those organisations are long established and have had the opportunity to become well accustomed to carrying out their core functions.

The much greater scale of the organised voluntary sector in general has another effect on attitudes to the idea that it might be the source of extra capacity in ensuring social wellbeing. It has given rise to the anxiety in some quarters that it will substantially displace the public sector, which would have been a fanciful anxiety in relation to the modest scale of the housing co-operative movement. This issue, about whether belief in the voluntary sector is a Trojan horse for the running down of public sector services, may have obscured other aspects of the debate. In particular, it may have limited discussion of the common thread which we have sought to draw out in relation to the first three categories, that awareness of and sensitivity to the needs and preference of communities, families and individuals may be greater in

these bodies than in the public sector generally or in central government organisations.

The organised voluntary sector is not neatly separated from the voluntary giving of advice, support and assistance which occurs in a broad and diverse variety of ways within our fifth category - communities, families and individuals. The things someone might look for from the organised voluntary sector - from a local church group or a community association or the local Rotary Club - are not necessarily different from the things someone else might seek from neighbours or family. There is no necessary difference between, for example, what a volunteer in an organised befriending scheme for the elderly or the young might do and what a neighbour or a member of one's extended family might do in offering companionship, a listening ear or some helpful advice.

### *3.1.5 Communities, families and individuals*

Our fifth category - communities, families and individuals - also has a relationship with government, with the whole public sector. People may be a source of advice, support and assistance to others but, in the relationship with

the public sector, the general assumption is that we are the recipients of those things. While those in the other four categories are also recipients in some senses, their relationship with government is based on the premise that they are first and foremost providers rather than recipients of something and that they have the capacity to carry out their providing role because otherwise they will cease to exist (or, in the case of local authorities, have their composition changed through the democratic process). As a consequence, central government does not see itself as having to relate in the normal course of events to those in those four categories who lack capacity.

A key difference when we come to communities, families and individuals - particularly individuals, but also a significant proportion of families - is that the relationship with government does not rest on the view that we necessarily have the capacity to carry out the responsibilities which might be expected of us. Ideas about government's relationship with citizens take into account that we vary greatly in our capacity as individuals, and as families. It tends to be assumed that the relationship must be capable of embracing those with lower levels

of personal capacity, although that is often not well achieved. Sometimes it can feel as if the relationship is primarily based on the assumption that we have low levels of personal capacity - as some people experience, for example, when they are sitting in a GP's surgery being spoken to as if they were incapable of understanding or taking any responsibility for their own health.

An interesting further difference - a paradox - between the relationship we have with government as part of the fifth category and the relationship which the other four categories have with government is that while they are all valued partly for their assumed ability to understand our needs and preferences, our own knowledge of our needs and preferences, and those of our family and community, can be less highly valued. Indeed, sometimes it can be regarded as a nuisance, or an irrelevance, rather than an asset. This is not surprising. It is not intended as a criticism of the value of public services or the commitment or ability of those who work in them. Our public services originate from the proposition that some things can be provided better, in some sense, on a collective basis

rather than us providing them for ourselves as individuals and families and, sometimes, even as communities. 'Better' might mean more expertly, more reliably, more fairly, more cheaply or a variety of other things. Collective provision often implies a system of some kind. Systems tend towards some degree of standardisation of what they provide or how or when they provide it. So, in return for whatever kind of 'better' provision a collective approach delivers in relation to a particular service it is likely that we shall lose some degree of tailoring to individual needs and preferences. A lot of the time, the gain outweighs the loss - but sometimes it doesn't. Understandably, the prevalent view has been that if the gain outweighs the loss for the majority of people in relation to a particular service, we have to accept the fact that this is not so for everyone - the greatest good of the greatest number.

Our acceptance of this has begun to diminish. Demand for choice has increased and, to a lesser extent, so has demand for the much harder-to-deliver concept of personalisation. We have also begun to see the

erosion of two beliefs which have underpinned previous thinking:

- 1) **that a positive balance of gains and losses for individuals will roll out over time to an ever increasing share of the population, so we just need to stick at it and put our effort into accelerating that process;**
- 2) **that some part of the responsibility for failure to achieve a positive balance of gains and losses rests with individuals or families, and sometimes communities, themselves. In other words, that the system is sound and cannot be expected to deliver more than it does to those who will not do whatever others do to experience a positive balance of gains and losses.**

To translate this from abstract language to a straightforward example, it is helpful to think about school education. We have a good school system - by comparison with our own historical experience or with many other countries or as measured by results, such as the proportion of young people who emerge qualified to go on to

post-school education. Despite that, a substantial proportion of young people - over one in five - emerge with no meaningful qualifications, into a world where there are less and less jobs for the unskilled and for those who struggle with the levels of literacy or numeracy which modern life requires. It has always been tempting to take the view that if these young people who do not do well tried harder, or were supported by their parents, they would join the majority who do benefit. And, of course, there are always some individual cases where that is true. But, equally, we all know cases of people who did not benefit from school, but did well in later life. There is sufficient evidence to conclude that in a high proportion of cases of those who do not benefit from school, the root problem is that what works well for most does not work well for a minority. Instead of hammering harder on square pegs to fit them into round holes, we need to make some of our holes square. This is more difficult, of course, but better for society, which cannot afford to waste the potential economic and social contribution of one in five of its young people, and undoubtedly what most parents would wish for as a start in life for their child.

### 3.2 The need for a new approach

Whether it is education, health or some other aspect of our relationship with government, there is growing demand from us for a different way of doing things or engaging with people. We need a different relationship. Demand for change from individuals, families and communities co-exists with demand for change from business, local authorities and the professional and voluntary arms of the third sector. All that demand co-exists with the arguments in the first section of this paper for change in the way government functions.

We see a pressing need for debate on how to respond to this demand for change. This debate has to take account of what we want from the public sector.

For much of the post-war period, the majority view of the answer to that question has been bound up with the creation of the Welfare State. It rested on the powerful

vision articulated by Sir William Beveridge of banishing Five Evils, the sources of misery which had blighted so many lives – Squalor, Ignorance, Want, Idleness and Disease. Following about 70 years of pursuit of that vision, we have seen important transformations in the general experience of life in our society. As discussed in section 2, we have also become more aware that systems which work well to give most of us the opportunities and protections which we need, do not work well for a proportion of people within our communities. And we have learnt lessons about those aspects of social wellbeing which have presented themselves as more difficult to improve.

It would be surprising if our view of what parts of our lives we would like assistance with from collectively funded public services and the ways in which we would like to receive assistance had not altered alongside the many changes in society and our individual lives over the period since the Second World War. It would also be very odd if we did not learn from almost





70 years of our experience of the Welfare State.

As individuals - and as families and communities - it is likely that we shall have different answers to these questions. One important reason for having different answers is that people will have had different experiences, both of social change and of the Welfare State.

Public services and the ways in which we use them are far from uniform. Across the range of public services, we can find examples of a mix between collectively-financed provision, privately-purchased provision and do-it-yourself provision, whether that means individual self-help or mutual support within a community. Voluntary organisations may overlap with all three of these elements of the mix.

Political debate has often been conducted as if this complex mix did not exist. Sometimes, any degree of reliance on privately-provided services has

been portrayed as a failure on the part of the public sector to provide a 'universal' service or as evidence of a desire by individuals to secure an unfair advantage over the rest of society. Sometimes, too, any reliance on a particular part of public services has been portrayed as a failure by individuals, families or communities to live up to desirable standards of self-sufficiency and self-help. More commonly, there has been debate about whether particular services should be wholly provided on a collectively-funded basis or on a privately-funded basis.

The reality is that most of us are making decisions for ourselves and our families about what mix is right for us. It is natural that different people will make different choices depending on a mix of needs, preferences, personal capacity and the capacity of family, friends and our community. Of course, our differing financial circumstances will also influence our choices, but they are far from being the only factor or, necessarily, the most influential.



## 4. What if?

The diverse pattern of individual choices suggests that the answer to the question: ‘What do we want from the public sector?’ is not a straightforward one. Discussion of the personalisation of public services is not quite the answer because it assumes that one starts from the proposition that a public service is to be provided in some form and that the challenge is to mould it to the needs and preferences of the recipient.

### 4.1 Starting at the bottom

What if we reversed the presumption? What if we started from the assumption that in many areas of our lives, most of us have a hierarchy of preferences which starts with doing things for ourselves, either as individuals or families, and extends next to reciprocal support between ourselves and our friends? On this assumption, only when we do not feel confident of relying on ourselves, our family or our friends do we look



for help from beyond that circle. If this is right, almost all of us will be able to observe that way of behaving, in ourselves and others, a lot of the time. It seems to us that we can - and the reasons for this are a combination of the high degree of trust that we tend to place in family or friends and our belief that they understand our lives and our personalities better than people for whom helping us would be just part of their job.

The question which leads to greater uncertainty comes at the next stage of our hierarchy of preferences. Once we look beyond ourselves, family and friends for help, do we prefer to look to someone who is paid to help us or to the next circle of people who offer help to others out of a sense of a social bond of some kind?

Before the development of the modern state, there was often little choice. There was often only our wider community to turn to because there was no collectively-financed paid help and, even if there was help available through private purchase, the cost might be difficult to meet. Consequently, we and the other members of our community - our street, our church,

our village or town - were conscious of our interdependence. Often, we enjoyed it - helping others makes us feel positive about ourselves. It feels good to have our skills or knowledge valued and it is rewarding to add to someone else's happiness or to reduce their unhappiness or need. Most religions incorporate a sense of the value of doing good for others and there is a practical as well as a moral basis for acknowledging our interdependence with others.

In the modern state, much of that interdependence is now dealt with through collectively-funded public services. Nevertheless, people continue to give their time and energy to help others without being employed to do so. Voluntary activity remains a massive part of our society. Some of it is organised - such as providing non-medical services in hospitals or first-aid services at public events, working in charity shops or delivering meals on wheels. And some of it is what we would simply call neighbourliness - doing shopping or tidying a garden for an elderly neighbour, looking after someone else's children for a couple of hours or giving someone a lift to the station or to a hospital appointment.

The co-existence of modern public services and voluntary activity is sometimes represented as public services – paid workers – doing the core tasks, giving the most necessary help, and volunteers providing the ‘nice-to-haves’, the things which make life pleasant, but we could actually live without. This view is being challenged by evidence of what works in a variety of circumstances, including some of the most difficult challenges which people face in their lives. Anyone who has ever watched an episode of *The Secret Millionaire* will have seen examples of volunteers transforming the quality of life of people facing various difficulties in ways which formal public services have been unable to do. There is strong evidence of the difference which befriending services can make to people of all ages who are facing various problems in their lives, where the efforts of formal public services have not been sufficient or sometimes have achieved nothing.

Often, people who give their own time to help others do so on a very local basis and a sense of community is an important part of their motivation. The sense of trust and of being understood which recipients bring to the relationship

may also be related to a sense of shared community. What we might call ‘communitarianism’ is an important dimension of why some people give their time and energy, why some people place their trust in that form of help and why it works better for some people in some circumstances than the efforts of those employed to deliver public services.

These factors should be enough to allow us to see that voluntary services, particularly where they have a communitarian dimension, might be the next step in the hierarchy of preferences for a proportion of people rather than recourse to those who are employed to provide public services. There is also a greater prospect of some element of reciprocity in the relationship, some chance to give something back in return for being helped. Again, the idea of community can make that more likely to happen, easier for people to see and therefore more likely to be acknowledged.

There are versions of communitarianism in which everybody, or almost everybody, in a community is engaged in both helping and being helped. These tend to revolve around community ownership, or control, of the place

in which the community lives. Land or housing or both sit at the centre of this approach.

There are examples of outstanding success from this approach. Community-based housing associations, with boards consisting mainly of tenants, or their close relations, housing cooperatives, have transformed areas of unsatisfactory housing and created substantial benefits beyond that.

As already mentioned, there were examples in which the capacity of the communities, considerable though it had already proved to be, became overstretched. This provides a lesson that is less about the limitations of communitarianism and more about the consequences of government trying to shape and direct the development of community capacity. It led, perhaps, to the understanding of the need for patience and the benefits of a hands-off approach, which is evident in the more recent successes of community land ownership. This rests on a statutory right for rural communities to buy land which is part of their community area and therefore incorporates the premise that it is for communities to judge

their own readiness to take such a step.

Across the spectrum of communitarianism, from successful community groups to communal control of housing and land, there are powerful examples of communities achieving successes which government had been unable to achieve. This is not to denigrate government or public services, which have their own huge successes to set alongside those of communities and of voluntary effort more widely. It is simply to argue that there is ample evidence for looking at voluntary effort and communitarianism as of equal value to paid public services and for asking ourselves afresh what the relationship between the two sources of public benefit, between society and the state, should be.

In asking ourselves that, we might adopt the starting point summed up by Tony Blair's phrase, 'What matters is what works'. It is a practical test - not an ideological one.

#### **4.2 Re-defining the role of the state**

At a public debate in the Edinburgh Book Festival in 2010,

one senior politician debating a version of this set of ideas said: *'I don't want a volunteer carrying out my heart surgery.'*

It was a skilled piece of rhetorical technique and, although it was also a disingenuous and disappointing evasion of the opportunity for serious discussion, it illustrates a potentially useful approach. It is possible to attempt to define the characteristics of the things which we would only want the state (or sources of professional services paid for from public funds) to provide.

Such a list might be shorter than one might suppose, but might include:

- 1) activities which deprive individuals of their liberty or confer on one person the right to kill another;**
- 2) activities which require a very high level of professional skill or training to avert the risk of harm to the subject's health or loss of life;**
- 3) activities which require an absolute certainty of a response at all times.**

It is unlikely that we could achieve widely-shared agreement in the UK on a balancing list of activities which should be exclusively for individual, family or community action - although some other societies might be disposed to do so.

We do know, though, that some things are better achieved through the social context than through the intervention of those working on behalf of central or local government. Almost everything related to the stimulus of human happiness falls into this category. The state does not generally offer love, friendship or engagement with our emotional needs and, at a material level, it is concerned with what we need rather than what we want.

Although the corollary is that the avoidance or alleviation of distress is the more natural territory of those providing services on behalf of the state, there are a number of examples where the evidence suggests that family or community have a higher degree of success. This is not confined to the obvious examples where we are struggling to cope with heartbreak or loneliness. There is good evidence that informal, or community-organised,

support can be more effective in helping children and young people who find themselves as carers for a parent, or whose immediate family do not provide the support which the majority of families do. We know that the fostering of positive behaviour is achieved more successfully through social networks than through public services. It is commonplace of our discussion of the education system that the staff of schools cannot be expected to counteract fully the effects of deficient parenting.

A reasonable guiding principle is that state intervention will be less effective the greater the need to understand us as individuals or to understand the interaction of different parts of our lives in order to assist us to overcome difficulties or to make the most of our potential. For example, when someone is at risk of death, the NHS is often at its finest in dealing with the medical needs of the person concerned, but those related to that person often find themselves trying to cope with a bewildering variety of unfamiliar problems with little understanding or help from public services. In the event of someone's death, helping the bereaved to cope emotionally and materially is essentially a

matter for family, friends and neighbours. With the exception of the cases where the state provides necessary financial help, government tends to feel more like the source of demands of various kinds than a source of support, as do many of the private sector organisations we engage with.







## 5. *The Enabling State*

**A rational conclusion from this is that government, in addition to driving the performance of what it does best, should also help individuals, families and communities do what they do best.**

It would be easy to claim that this is what happens now and to produce examples of government seeking to help individuals, families and communities to play their part. Yet, in many places, there is evidence that when faced with current pressures on public finances, government is more likely to withdraw resources from supporting individuals, families and communities to make their contribution than to do so from provision of services directly or through a paid provider. This suggests a model based on the implicit belief that services provided through the state are of greater social value than those provided by society itself.

### 5.1 Public services as enablers

What if we turned that assumption on its head? What if we adopted a model which took the preservations

and growth of people's capacity for self-reliance and mutual help as its highest priority?

This is not, at first sight, very radical. Surely, it is already the purpose of our education system to grow the capacity of young people to be economically as self-sufficient as possible, by entering employment and remaining able to find employment for as long as they need to, and to acquire the skills and knowledge necessary to take responsibility for the other aspects of their lives and to be good citizens. Surely, also, thinking about the role of the NHS, particularly GPs, focuses increasingly on helping us to understand how best to manage our own health. The challenge is not in admitting these propositions into our thinking. It is in following through the consequences of putting them at the heart of our thinking.

These are both examples of aspects of life where the emphasis is on individual capacity and where there is an assumption that the first remedy for a breakdown in individual self-sufficiency is to

switch directly to remedial action provided or organised by government. A different model might pay more attention to the capacity of families and communities as sources of remedial action.

This model would require those working under the ambit of government to be able to do various things. They would have to be able to understand the way in which the capacities of different families and communities vary. They would have to be able to understand how to support families and communities to grow that capacity. They would also have to be able to provide direct support, flexibly where needs increased beyond the capacity of the family and/or community, but to do so in a way which did not weaken the prospects of restoring reliance on that capacity.

At present, some parts of the public sector do those things, particularly in relation to families

but, usually, they are focussed on the end of the spectrum where the risk of a family not coping is high. What if we augmented that with a focus on maximising the capacity of families and communities which already have considerable capacity and raising the capacity of others who are not far behind in their capacity? This would involve directing the kind of attention towards identifying and understanding the elements of high-performing models based on family and community capacity which have been at the heart of efforts to improve models based on public sector provision over the past couple of decades.

For the families and communities already demonstrating a strong capacity to be self-reliant, this approach would involve looking at additional flexibilities and elements of control which could be offered to them. Could communities have more control over the operation of local schools? Could there be a presumption in favour of community organisations successfully delivering some services becoming the channel for delivering others, if they wished? Legislation to support this is in place in England and under discussion in Scotland.



Perhaps the key question in this approach is: 'What holds communities back?' Part of the answer may be a pattern of financial dependence on government, usually local government, which can limit their scope both to extend their range of activity and to innovate. In some of the examples of successful communitarianism described earlier, the key to success was for the community to gain control of assets - land or buildings - which they could use to create additional value of some kind and thereby gain financial resources which they could choose how to use. Another approach, used by the Big Lottery for example, is to make modest financial grants to communities in the expectation that they will find ways to use that money to create larger resources under the control of the community. Under this approach, the management of assets becomes both a means of growing capacity within the community and the means of enabling that capacity to be used in more ambitious ways.

The asset-based approach to growing community capacity illustrates the principle that communities must be free to develop at their own pace in

deciding which activities they feel able to undertake. Different communities will reach the stage of being ready to take on responsibility for assets at different times. Some may not ever wish to reach that stage.

It is likely, however, that the opportunities are there for almost all communities. There are unused or underused publicly-owned pieces of land or buildings in most communities which can form the starting point for those communities to consider how greater value might be obtained for the benefit of the community. The proposals which the Scottish Government have put forward for consultation, in relation to their proposed Community Empowerment and Renewal Bill, are an indication of support for this line of thought.

The central reason for striving to remove barriers to the growth of capacity and confidence in communities is because they tend to have a greater aptitude than governments or those who provide public services to see people's lives in the round. They understand the connections between aspects of people's lives, and can therefore provide support in ways which are more likely to be successful.

This is the heart of the matter. Communities and families have an inherent tendency to be good at precisely the thing which governments and public services have demonstrated to be their inherent weakness.

This is a reason for optimism. It suggests that we can find a route to addressing the problems which have proved resistant to solution through years of variations in policy and operational delivery by government and public service providers. Communities, families and individuals can - and do - find ways of handling very complex sets of human problems.

This optimism also points to a risk which we already know well. The risk is to those who live in a family or community which has not developed the capacity to do what others can. We have long been aware, for example, of the adverse consequences for the minority of children who do not receive the care and support from their families which the majority do. We are learning more and more about the variations in people's experience of ageing, the retention of mental alertness and self-reliance, which have their root causes in variations in the degree and quality of the social

interaction which people have as they grow older.

## 5.2 Implications of an 'enabling state' model for governments and public services

If we accept that families and communities have differences in the degree to which they develop their capacity for mutual support and that we have evidence of some problems which have proved resistant to efforts at solution by governments and public services are we left with the inevitability of continual failure as a society in relation to some members of society?

This will only happen if we persist in the approach to thinking about government and public services which has proved its limitations. The solution is to ask ourselves how governments and public services can behave in ways which seek to emulate the key elements of success of families and communities.

The answer to how government and public services might achieve that has three key dimensions:

- 1) **The first concerns seeing and engaging with people's lives in the round, not as a series of isolated interactions with**

parts of their lives. This takes us straight to the familiar desire for government thinking and public services delivery to be joined up – or integrated or holistic or horizontal, whichever words you prefer. As the distinguished writer and former senior OECD official, Wolfgang Michalski, has said:

*‘The problem is that most of the key problems faced by governments are horizontal and most of government responses are vertical.’*

**2) The second involves governments and public services thinking about how they can enable people who need help to retain as much control over their own lives as possible and to move, step by step, to a position where their need for assistance has diminished. It also involves not losing sight of the fact that those who need help in one way may have the capacity to help in other ways, and looking for opportunities to facilitate that mutuality.**

**3) The third is about localism because the first and second**

**are easier to achieve if public services are sufficiently close to those they engage with to be able to see and understand them. Public services can only begin to approach the degree of knowledge and empathy that a community can bring to those who are part of it if they share some of the community’s advantages of proximity.**

Each of these dimensions can bring profound challenges to beliefs and behaviours in governments and the public sector. The first, in particular, runs directly contrary to the dominant theory of the organisation of central government and the public services it provides which has dominated in the UK for more than two decades. For that reason, we concentrate below on exploring the challenges of a different approach and efforts that are being made to tackle them in parts of the UK. We hope that the earlier parts of this paper offer sufficient indication of what we see as potential starting points for progress on the other two dimensions.

### **5.3 A return to joined-up government**

There is nothing new about the view that more joined-up

government is the route to better government. This argument has been made and generally accepted across the spectrum from strategic policy to delivery of services in individual cases.

Politicians, government officials and stakeholders continue to debate whether strategic policy on our economic future is properly joined up with strategic policy on taxation, or social security, land use planning, education or transport. At the individual level, most of us have some personal experience of the left hand not appearing to know what the right hand is doing, of someone being discharged from hospital without arrangements being made for support for them when they get home or at a community level, the threat of closure hanging over a village hall or library while community groups are themselves desperate to get access to spaces for services and meetings.

Central government has often added its voice to the call for more joined-up services to individuals or families and to businesses. Many local authorities have sought to respond to that call by creating more integrated senior management structures and

breaking down internal barriers between the more obviously inter-related functions. Central government has encouraged or mandated local partnerships between local authorities and other public services and, sometimes, representatives of any or all of the third sector or communities or businesses. Yet when asked what the biggest obstacle is for them to being more joined up, local people tend to answer that central government is not joined up and that it often does things in ways which pull against its own efforts to encourage it.

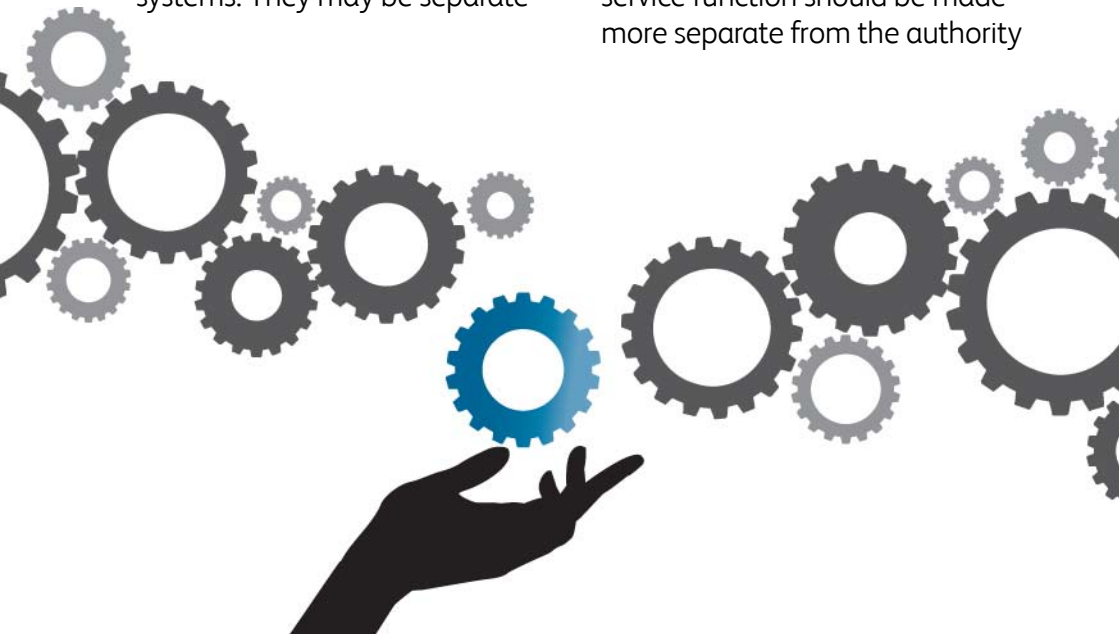
This is not surprising. Broadly speaking, public services have their origins in arrangements developed to deliver single functions. Historically, the way in which we provide schools, for example, has developed quite separately from the way we provide fire services or health services. Although, over time, responsibility for delivery of various services may have come together at central or local level of political authority, the way the services are planned and delivered have retained many of the features of their original separate origins. So it has become commonplace for people to talk about central and

local government both being organised in 'silos'.

The strikingly similar model for the organisation of central governments around the world is a federation of Ministries or Departments, each of which tends to be largely self-contained organisationally and in the management of its budget. In other words, central governments (and often local governments) are federations of functional hierarchies - of Ministries of this and that, or Departments of one thing or another. The separation between these functional hierarchies is usually reinforced by financial arrangements - separation of budgets and of accountability - and often by other powerful systems. They may be separate

employers, with different terms and conditions and little or no movement of people between them, and they may have separate IT systems. Commonly, they have separate buildings which, in some countries, may not even be in the same city.

In the UK, this approach was taken further in pursuit of a dominant idea about how to improve the functioning of government by changing organisational structures which emerged during the 1980s. The idea was that the service functions of government should be separated organisationally from the policy functions of government and from each other. In addition, the authority and accountabilities of the official in charge of each service function should be made more separate from the authority



and accountabilities of the officials heading up Departments or Ministries. This idea was at the heart of what were called the 'Next Steps' reforms which led to the creation of a range of what we now call Executive Agencies - organisations which are an integral part of central government, directly accountable to Ministers, but managed separately from Departments and Ministries. They include many familiar parts of Government - Jobcentre Plus, the various Prison Services within the UK, the Highways Agency and Transport Scotland.

It does not seem an overstatement to say that fragmentation has been the guiding principle in the organisation of government in the UK, at least until devolution opened the way for a degree of different thinking in Scotland and Wales. Another dimension of this, of course, is the growth over the post-war period of what is sometimes called the 'quango state' - the development of a very large range of bodies (which we now call Non-Departmental Public Bodies or NDPBs) created by central government and usually wholly, or mainly, funded by central government, but formally separate from government and

operating 'at arm's length' in the usual description of the relationship. It is interesting that all this has co-existed with the growing demand for more joined-up government. It reminds us that there is a strongly entrenched set of competing arguments centred on the belief that individual public services can be delivered better, more efficiently and more accountably through a series of organisations concentrating on single functions.

There have been many attempts to overlay the vertical or silo structures of government, with arrangements to bring about integration of strategy, policy design and/or operational delivery.

In all governments, there tends to be some co-ordinating structure, whether attached to a President or Prime Minister or to a central political body such as a Cabinet or Central Committee, and a Finance Ministry or Treasury with centralised control and co-ordination over some aspects of money. Those co-ordinating structures are, by definition, pulling against the inherent tendency of separate organisations to behave inconsistently to some degree. They achieve co-ordination of



some of the bigger issues, but a huge variety of smaller actions remains unco-ordinated and disintegrated.

The other common approach is for groups of people to be brought together in various ways to try to join up the separate functional activities for particular purposes – perhaps for economic development or urban regeneration or reducing offending. The key feature of such arrangements is that they are an add-on to the vertical structures built around separate functions – they are an attempt at creating ‘glue’ between separate entities and offer different ways of looking at the world. It is also a general feature that they wither away over time – and not usually because the complex issues which they were designed to focus on have ceased to exist or to be important. The reason is perhaps that people can only push against the force of all the things which encourage fragmented behaviours for so long before their energy is worn down. It is not surprising, therefore, that central government has appeared to those pursuing a joined-up approach to be, at best, a source of mixed messages and, at worst, an impediment. For the various aspects of government and public services to be able to take

an holistic view of individuals, families and communities and to integrate the actions which are taken on the basis of that view, central governments have to become exemplars of joining up instead of a counterweight.

We should not underestimate the scale of this challenge. It runs against several centuries of historical development, the systems of authority and accountability which derive from that, and the generality of international practice. To do it requires the UK to be willing to be at the leading edge of experimentation with radical change in central government practice. This would require devising ways to make integration of functions, or ‘joined-upness’, the core principle of government structures and separate service provision the exception, rather than the other way round. In other words, to turn on its head the way in which government structures in most countries think of themselves.

### **5.4 Towards the idea of government as a single entity**

At the heart of this would be the idea that a government, central or local, is a single organisation rather than a federation of its

parts. The point of this would be to bring all of the capacity of government to bear on the pursuit of the various outcomes which, taken together, constitute the wellbeing of the society to which the government is accountable. It would flow from recognition that we have already achieved most of the benefits which would generate from organising individual services separately and from confidence that we can consolidate those benefits while making the systemic changes necessary to reach beyond them.

In the UK, as one of the consequences of earlier willingness to experiment with constitutional change in the form of devolution, we have some strong examples which are several years into a different approach of this kind. The Scottish Government and the Welsh Assembly Government have both, in different ways, sought to explore the practicalities of developing government as a single organisation rather than a federation of organisations. In 1999, when the first devolved government was created in Scotland, they inherited structures which incorporated a single post at the head of the civil service hierarchy and well-established common systems underpinning

the work of various functional Departments. The new Scottish Parliament rapidly took a further step by concentrating all formal financial accountability in that single senior post, in a departure from pre-devolution arrangements. This was important because it reinforced the unified nature of the new governmental arrangements and, in particular, a financial framework which rested upon a single block budget which the Scottish Cabinet had the role of allocating between spending programmes. The newly-created Welsh Assembly was in a similar position in terms of inherited structures and, unlike Scotland, had the further advantage of not having an inherited tradition of separate functional Departments. In 2006, after the devolution arrangements in Wales evolved to centre on a Welsh Assembly Government, even bodies which were previously set apart from central government, such as the Welsh Development Agency, were brought within central government as part of the core structure, not as Executive Agencies.

In 2007, the Scottish Government decided to take the further step of abolishing Scotland's longstanding departmental structure, reinforcing the idea of government as a single



organisation with a sole statement of purpose for the entire government and a single integrated mechanism for setting out and tracking progress towards the outcomes which the Government were pursuing collectively. The radical changes made in Scotland in 2007 are now the subject of international interest, through a collaboration between several European governments led by the Finnish Government and linked to work within OECD. At local government level across Britain, there had been similar changes in a number of areas, many of which

predated the changes described at central government level in Scotland and Wales.

### 5.5 Towards shared outcomes for public services

The ‘Scottish model of government’, as it has been termed by those looking from outside the UK, aims to emphasise collective operation at both political and civil service levels, operating around a hierarchy of shared outcome-based objectives which stimulate approaches that cut across conventional functional boundaries. One of its key features is the abolition of Government Departments, as organisational entities, as part of the attempt to ensure that the whole of government is focused on pursuit of a single set of National Outcomes.

One important consequence is that the focus on outcomes and the existence of a set of National Outcomes has provided a framework for a different relationship between central and local government. This different relationship has created the conditions for a substantial increase in localism and in the integration of public services at the level of individual local authorities. In early 2008, an agreement was

reach between the Scottish Government and the Convention of Scottish Local Authorities that the funding relationship between central and local government would focus on a Single Outcome Agreement for each local authority. The Scottish Government agreed to reduce, year by year, the proportion of its funding of local government activity which is hypothecated to (that is, earmarked for) particular activities, giving local authorities greater freedom to allocate money to the activities which they considered most effective in securing the outcomes they wished to pursue and which were prioritised in the Single Outcome Agreement. Local authorities agreed, in return, to incorporate elements of the National Outcomes in their Single Outcome Agreements, so that local activity was aligned with national purpose. Implicit in this changed relationship, which has been sustained since 2008, is the shared belief that it is reasonable for there to be variation both in the nature of what different localities aspire to and in the ways in which government and communities work together to deliver those aspirations.

These changes in Scotland rested on earlier moves to recognise the need for partnership between local authorities, other parts of

the public sector and communities. Community Planning Partnerships have been established in each local authority area, chaired by the local authority but involving representatives of the community and of various public agencies. These sought to give expression to two principles: the importance of direct engagement of communities in setting priorities for an area and the importance of working across organisational boundaries within the public sector to deliver agreed outcomes.

The approach adopted in Scotland is not definitive, of course. It simply illustrates that a different way of doing things is possible and is arguably more radical than any other example to be found across the world. It also offers an opportunity, after five years in operation, to begin to see some of the consequences of adopting a different approach of this kind. No set of organisational and financial arrangements will, in itself, necessarily produce a shift to an enabling and facilitative approach on the part of government. They do, however, create the opportunity for that change and the flexibility to allow it to be given effect. Placing an emphasis on outcomes - end results - at the heart of the

arrangements also encourages a way of thinking which is consistent with an enabling and facilitative approach to government. It does this by encouraging a clear focus on which activities have the greatest impact on progress towards the outcomes. This encourages, in turn, openness to the evidence discussed earlier in this paper that communities and families can often be the source of activities which have a greater impact on outcomes than interventions delivered by or paid for by government.

This approach can also help those in the public sector see more clearly where they can add most value. Central and local government could, for example, make greater use of their inherent positions as shared points of contact for a very wide range of organisations and people. This creates potential for them to provide the opportunity for discussion, mutual understanding and co operation for those organisations and people. By and large, central and local government enjoy sufficient trust from organisations and people to enable them to be accepted as honest brokers in this process. These strengths have tended to be neglected and neither level

of government has viewed an enabling role as being at the heart of their potential contribution. If the will to do this were there, does the public sector have the capacity to do it? The skills involved in bringing different interests together and helping them to engage productively may seem different from those which have been emphasised in the past for the public sector. To some extent they are, but facilitating such interaction and supporting the identifications of ways in which shared views can be translated into practical action requires a different application of some of the core skills of those in the public service, including the understanding of complex systems.

Nothing in this approach displaces public services where they represent the best means of meeting the needs and aspirations of communities, families and individuals. It does make it less likely that the public sector provides services to communities, families and individuals which they consider unnecessary or designed with insufficient reference to the views of recipients about how best they could be integrated into the lives of those affected.

## 6. Next steps

**At present, developments have tended to be focussed on removing some of the inflexibilities, and consequent ineffectiveness, in the ways which public services operate. They have been primarily about the state delivering better the services it sets out to provide. There is now an opportunity to discuss the merits of going a step further. There is scope to find a way of enabling communities, families and individuals to express the areas of life in which they wish and feel able to rely normally on mutual help and those in which they wish to rely normally on services provided or paid for by the state.**

The opportunity is also there to consider how the state can support the growth of capacity for people to take the responsibility they wish to take and how some public services can be redesigned to be more proportionate to what people want and more flexible between different communities and families.

The Carnegie UK Trust will be exploring these issues through a series of round tables and meetings in 2012 and 2013.

We'd be interested to hear your views on the questions, opposite and the issues raised in this paper. You can contact the *Enabling State* team by emailing Jennifer Wallace at [Jennifer@carnegieuk.org](mailto:Jennifer@carnegieuk.org)

# Key questions raised in this discussion paper:

- 1) Is it the right time for change, for substantial rethinking of the relationship between society and the state?
- 2) Is communitarianism, helping people build their capacity for mutual help, the right foundation of change?
- 3) Should the state develop an enabling role around building capacity, alongside its role in continuing to provide public services where their effectiveness is clear?
- 4) What actions are needed in your region or country to assist change?

## *Biography of Sir John Elvidge KCB FRSE*

Sir John Elvidge was Permanent Secretary of the Scottish Government from 2003 to 2010. He had previously worked in the Cabinet Office and the Scottish Office. He retired in June 2010 and is a Fellow of the Royal Society of Edinburgh and an Associate of the Institute for Government. His recent report *Northern Exposure: Lessons from the first twelve years of devolved government in Scotland* was published by the Institute for Government as part of its *Inside Out* series.

Sir John was appointed as a Carnegie Fellow on the *Enabling State* project in the summer of 2012 and will lead our work on this project in 2012/13.



The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913 and we are delighted to be celebrating our centenary in 2013. Please see our website for further information on our centenary plans.

**Andrew Carnegie House**  
**Pittencrieff Street**  
**Dunfermline**  
**KY12 8AW**

**Tel: +44 (0)1383 721 445**  
**Fax: +44 (0)1383 749799**  
**Email: [info@carnegieuk.org](mailto:info@carnegieuk.org)**

This report was written by  
Sir John Elvidge, Carnegie Fellow  
December 2012



Carnegie United Kingdom Trust  
Scottish charity SC 012799 operating in the UK and Ireland  
Incorporated by Royal Charter 1917

