

How to reform public services: one person at a time

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An extraordinary story is emerging from the public sector. The bad news is that a colossal amount of the money spent on public services is wasted (nothing new there, then). But the good news is that while there is certainly a huge effectiveness issue, despite the endless narratives of doom there is *no resource problem*. We don't need to spend more money on the NHS, social care or the elderly, or possibly even housing. In fact, more money may be the last thing the public sector needs.

Getting to this point has been a long learning journey shared by a consultancy, Vanguard, and a number of councils, services and other organisations curious (and brave) enough to attempt something different from the standard industrialised, commodified public service models of today.

The starting point a number of years ago was Vanguard's use of systems principles to devise a method for improving individual services. The results of creating joined-up services were startling – benefits paid in days rather than weeks, housing repairs done at the time and date specified by the tenant, moving a hospital's stroke performance from worst to near best, dramatically lowering local crime rates, to name just a few.

But in each case solving the apparent problem revealed bigger ones lurking behind, often outside the individual service's control. Dealing with people quickly and efficiently in A&E is good, but less so if they shouldn't be there in the first place. Likewise with petty offenders if they turn up drunk and disorderly again as soon as they exit custody.

In other words, the presenting problem was typically the symptom of another. So services started working with others to tackle the next layer of issues. Learning from housing repairs and benefits helped other separate sub-departments to overhaul housing as a whole. Teams from social services, GPs, physios and others wrought wonders in adult social care, transforming lives with the simplest (and cheapest) of means (better lighting, walk-in baths and showers). And so on.

In all these initiatives, although cost wasn't the priority and the amount was impossible to predict in advance, overall costs fell as a consequence of providing a service that met people's needs. The (counterintuitive) lesson is that bad service is much more expensive than good, because of the huge cost of rectifying mistakes and failure. To rephrase the learning (even more counterintuitively): managing cost pushes cost up, while managing value does the opposite.

Why should this be? Like the original NHS, public services were set up to 'fix' something: mend a broken leg, pay a benefit. But in a more complex world with ageing populations, the nature of the problems faced has changed. They are no long 'fix-it' but 'help-me': the need to manage long-term illness or mental health issues, or cope with family break-up, difficult children, poverty and unemployment, for instance.

Using 'fix-it' means to solve 'help-me' problems is at the heart of the supposed public-service 'crisis'. Instead of giving people the means to get unstable lives back in order (so they can join the stable majority that makes minimal claim on public services), 'fix-it' methods (fragmented, unjoined-up, episodic, delivering centrally specified packages of

care) keep them living their instability in an unending loop of public service dependency which never solves their problem. This is the dark secret of public-service waste: the vast quantity of resource (maybe 50 per cent) that is consumed by the 5 per cent of the population that presents over and over again, often to multiple service doors.

That is a giant step forward in understanding. And it has led to an equally important step in the journey – ‘the most important work we have done in the public sector’, according to Vanguard chairman John Seddon. At a conference in Stoke in October, two councils – Stoke and Bromsgrove & Redditch – outlined a radical ‘whole systems’ approach to public service reform which seeks to use these learnings to guide services not just within traditional sectors but across a whole geography. Bringing together partners including fire, police, health, housing and social services, among others, it aims to understand individuals and families in need in order to fulfil a simple purpose: ‘help me to resolve the problems (that prevent me from living a good life)’.

It’s early days, but operating to purpose and principles, switching off targets, departmental procedures and top-down management structures to do just what is necessary to meet the purpose, pilots in both councils are producing profound results. According to the council chief executives, ‘Citizens previously labelled as “lost” are living good lives, demand on services are going down, and the size of the opportunity to reduce cost is staggering.’ In one pilot in housing (admittedly based on very small numbers), rent arrears, evictions, antisocial behaviour, demands on the NHS, police and justice system were all down compared with control groups; and while the cost to the council increased, overall costs across all the agencies fell. On the basis of the fully costed cases, the overall saving to the public purse in one council would amount to £81.5m over two years.

Just as the failure to solve problems multiplies apparent demand (‘problem families’ are typically well known to police, the NHS, schools and fire as well as social and other council services), the reverse is true: when people get their lives back on track, demand evaporates across all services, including in tantalisingly unexpected areas: stable people are more likely to tackle obesity, smoking and alcohol issues, for example.

Conventional wisdom as incorporated in current service design holds that knowing and understanding individuals can’t be afforded; the lesson of Stoke and Bromsgrove is that knowing and understanding people is the only way that good services *can* be afforded. As Seddon sums up the learnings so far: ‘Demand is stable (not rising), demands are simple (not complex), we have plenty of capacity (no financial Armageddon), we have an effectiveness problem (not an efficiency problem), and when we provide services that meet needs, we improve. Costs fall dramatically and, most remarkably of all, demand falls. Yes, fewer problems in families and communities – isn’t that what public service ought to be about?’

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