Doing the right thing

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The productivity challenge means staff should have a greater role in planning and achieving efficiencies, says Neil Reeder

Greater public service productivity is essential, but it's far easier to boost public spending than to cut it back. Nonetheless, restraints on public service spending can combine with good outcomes. The recent Young Foundation paper *Productivity in UK Public Services – What Went Wrong? What Could Go Right?* shows that many developed countries had better track records than the UK in holding down spending and improving outcomes over the past decade.

In working out solutions to the productivity challenge, economists and accountants have generally focussed on agendas that are easy to measure – the prices paid for commodity goods and services; the unit costs of back office functions and so on. In the quest for efficiencies, these agendas remain important. But they represent only a partial picture, since they ignore the blend of skills and motivation that drives good service delivery.

Part of the answer is likely to lie in a rebalancing of the allocation of responsibility. Too often, finance divisions act in conflict with their colleagues, setting arbitrary targets. But actions from the centre to impose a solution can backfire, damaging both staff morale and service to clients.

A more effective route is for staff themselves to accept responsibility for efficiencies, plan out and implement ways to achieve it, and continue to seek new solutions. Many charities are fully accustomed to life with stringent budgets; many parts of UK public services have been less used to a mindset of getting things done even with funding falling.

In the past year, for example, the NHS has concentrated efforts on organisational restructuring, not on identifying new ways of working, and boosting the capacity and willingness to implement them. It remains to be seen if new commissioning arrangements will encourage focused attention on productivity – or lead to a muddle of accountability that lacks local champions for change and in which hard decisions get delayed.

Part of the answer also rests in whether financial and performance management can align with the intuitive belief of frontline staff to 'do the right thing' for their client – and address underlying symptoms and not just causes. Assessments are often poor at looking at what staff have done to support better results for the medium and long term – the police officer who takes time to mentor a teenager at risk of entering the criminal justice system; the tenancy support team assisting a former rough sleeper into an independent lifestyle by developing a supportive network of friends. Unless these activities are encouraged, or at least not discouraged, future consequences will be severe.

At the same time, the assumption has often been that higher-paid and more comprehensively skilled colleagues are inevitably better at producing good results. But a range of case studies identified in former NHS chief executive Nigel Crisp's book, *Turning the World Upside Down: the Search for Global Health in the 21st Century*, suggest this is far from necessarily the case. Hard questions must be asked as to what volunteer mentors, nurses, teaching assistants, police community support officers and other new staffing arrangements can and cannot do compared to the status quo.

Analysis can provide useful insights into exactly such questions and other ways to improve cost-effectiveness. One inspiring example is New York City's i-zone scheme. This takes a carefully structured approach to testing and disseminating innovation, backed up by a detailed information system that tracks each pupil's progress on tasks, each pupil's most effective learning styles and each teacher's value-added in assisting pupil's to develop. For the productivity challenge to be met, such analysis is essential in bringing together the insights of frontline staff, users and managers to develop solutions that can work well, even with less money.