DEMOS

THE RESPECT CHARTER
A LIBERATED APPROACH TO THE PUBLIC SERVICE WORKFORCE

FUTURE PUBLIC SERVICES TASKFORCE - DISCUSSION PAPER FOUR

BEN GLOVER
AIDAN GARNER

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FUTURE PUBLIC SERVICES TASKFORCE
DEMOS

C**O**NTENTS

ABOUT DEMOS

Demos is the UK's leading cross-party think tank producing research and policies that have been adopted by successive governments for over 30 years. We believe that the current system of policy making isn't working. It's either too partisan to address the big underlying problems we agree on, or too technocratic to find solutions that resonate for all. Our systems aren't trusted to improve people's lives. At Demos we believe that there is a better way: one which puts people first to achieve fundamental and lasting change and overcome divisions. We call this collaborative democracy. As a genuinely cross-party think tank, we work with all parties and none to find solutions that work for more people.

ABOUT THIS PAPER

This paper is the latest in a series to be published as part of Demos's *Future Public Services Taskforce*, which is producing a new cross-cutting public service reform strategy for central government. This strategy could be the starting point for the first cross-cutting public service reform White Paper since 2011. In May 2024, the Taskforce published its vision for public service reform, *Liberated Public Services: A new vision for citizens, professionals and policy makers*. We are now applying that vision to five policy workstreams:

- **Workstream One** - Governance structures and duties.
- **Workstream Two** - Accountability.
- **Workstream Three** - Funding models.
- **Workstream Four** - Workforce.
- **Workstream Five** - Citizens.

This Discussion Paper presents our analysis and the recommendations we are considering that came out of workstream four - workforce. The Taskforce's final report, *The Reform Divided: A Roadmap to Liberate Public Services*, further refines our analysis and presents our final recommendations. We welcome feedback, suggestions and comments on this Discussion Paper, in particular our proposed policy options. Please send feedback to ben.glover@demos.co.uk.

The paper's author is **Ben Glover**, Head of Social Policy at Demos, who leads the Future Public Services Taskforce.

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EXECUTIVE SUMMARY

Demos's *Future Public Services Taskforce* is producing a new cross-cutting reform strategy for England's public services. This is based on our 'liberated public services' vision, which learns from innovative local practice and calls for public services to be liberated from an overly centralised state.[1] We are publishing a series of Discussion Papers exploring how central government can support the development of this vision, before making the Taskforce's final recommendations next month. This paper focuses on the public service workforce.

OUR ANALYSIS

The workforce crisis is perhaps the biggest challenge facing public services today. The renewal of public services cannot happen without a workforce recovery. Symptoms include record vacancies across public services, the high use of agency staff and an often burnt out and demoralised workforce. This adds up to a **vicious cycle** for public services, with each of these symptoms feeding one another. Ending this cycle has to be a priority for policy makers. This will require taking tough action on the causes of this vicious cycle:

- **Pay stagnation.** According to Institute for Fiscal Studies analysis, real terms pay in the public sector fell by 2.5% on average between 2010 and 2023, while average private sector pay grew by 3.9%. This, however, disguises much bigger falls in wages in some public sector professions. During this period, doctors saw their pay fall by 14.6% in real terms and teachers by 9% in real terms. This is one reason why we welcome the government's announcement in July 2024 that teachers and doctors will receive significant, above inflation pay rises.

- **Lack of recognition.** Too often frontline public service workers feel under-recognised and undervalued for the exceptional contributions they make. In 2022, 64% of NHS staff said that they felt undervalued by the government or their employer.[2]

- **Lack of autonomy.** The influence of 'new public management' thinking on public services in recent decades has constrained the freedom and autonomy of frontline workers. A perceived lack of freedom can entrench a feeling of distrust as frontline staff, who ultimately know and understand the most pressing and immediate functions and needs of their role, workplace and sector - may feel that the discretion for them to perform their job to the best of their ability is hampered by managerial direction and government priorities that are not necessarily in sync with the feeling on the ground. Disempowerment makes workers feel less valued, less trusted and less important, leading to familiar workforce retention struggles.

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1   Ben Glover, Liberated Public Services: A new vision for citizens, professionals and policy makers, Demos, 2024. Available at: https://demos.co.uk/research/liberated-public-services-a-new-vision-for-citizens-professionals-and-policy-makers/ (accessed 9 October 2024).
2   The News Line, An inflation-busting pay rise is needed to keep key NHS staff from quitting their vital role!, 2022. Available at: https://wrp.org.uk/features/an-inflation-busting-pay-rise-is-needed-to-keep-key-nhs-staff-from-quitting-their-vital-role/

- **Excess demand for public services.** Public services demand has become more acute in the last 15 years: the financial crisis, austerity, COVID-19 and a cost of living crisis have all contributed to the public relying more on public services and more intensely on acute services. Rising demand, without accompanying increases in public service capacity, only makes it more challenging for public service workers.

OUR PROPOSALS

Short-sighted and poor policy decisions can contribute to a crisis in the public services workforce. It's clear that we need a new way of thinking about the public services workforce; one fit for the 2020s and beyond.

New rights and duties

We've argued throughout the Taskforce for **greater professional freedoms**. This is to drive greater experimentation in public services, higher levels of 'intrinsic motivation' for professionals, to boost job satisfaction and retention, and to improve the performance of public services. But new professional freedoms have to come alongside **new duties**. This is essential at a time when scandals and failings have rocked the faith of the public in the state. These events have heightened calls for a new 'duty of candour', as called for by the Infected Blood Inquiry and other major public inquiries, including the Hillsborough Inquiry.[3] Indeed, the new Labour government confirmed in the 2024 King's Speech that it will introduce a 'Hillsborough Law' to Parliament, which will include a 'duty of candour'.

A new 'respect agenda' for the public service workforce

How might we bring together these two notions - of new rights and duties for public service professionals? We think there might be something in the notion of a 'respect agenda', which politicians, including the Prime Minister Keir Starmer, and think tanks,[4] including Demos,[5] have proposed.

Respect has great relevance to thinking about the public service workforce. Under a more liberated approach to the workforce, we must respect professionals to make the right decision and experiment. This might also involve better respect for the contribution of public service workers, through financial and non-financial means. It's also about asking more from workers: to better serve the recipients of public services and what citizens want.

Crucially, this is a two-way street. While strengthening and empowering the workforce has to be put at the centre of a new reform agenda, we are not naive about some of the major failings we have seen in the public service workforce. How to deliver this new agenda? We identify three broad policy themes to achieve this.

Financial and non-financial recognition

We cannot expect more from the public service workforce without respecting their contribution more. This should and will take financial and non-financial forms. We are encouraged by the new government's acceptance of the pay review bodies' recommendations, including a 22% pay

3   Eve Collyer Merritt, Infected blood scandal: Background, impacts, inquiry outcomes and compensation, House of Lords Library, 2024. Available at: https://lordslibrary.parliament.uk/infected-blood-scandal-background-impacts-interim-compensation-and-inquiry-outcomes/#heading-9
4   https://www.ucl.ac.uk/policy-lab/news/2023/sep/respect-agenda-new-report-shows-voters-prioritise-respect
5   https://demos.co.uk/blogs/respect-isnt-nonsense-it-could-be-starmers-big-idea/

rise for junior doctors. As we saw in the previous chapter, public sector pay has been reduced over the last decade and so this has to be re-considered.

Workforce investment and training

'Liberated public services' demands more from public service professionals; that much is clear. We are expecting them to take the lead on innovation. To work in a more joined-up fashion. To improve service delivery and outcomes for individuals and communities. This cannot be delivered in public services with hollowed out workforces. We need to take steps to re-invest in the public service workforce, including greater levels of capital investment.

New institutions to support strategic workforce planning in central government

In central government, there is far too much fragmentation in the policy and strategy functions relating to the public service workforce. This needs addressing.

POLICY OPTIONS

POLICY THEME	POLICY OPTION
Financial and non-financial recognition	**Policy Option One: The government considers mechanisms to support a more stable, long-term approach to public sector pay, including a 'Public Sector Pay Roadmap'.** Inspired by the government's Corporate Tax Roadmap, first published in 2010, this would seek to give certainty and stability to the future direction of public sector pay. **Policy Option Two: The government should publish a 'Respect Charter', detailing the new rights and duties expected of public service workers.** This should include proposals for a 'duty of candour'. It could also include, subject to further investigation, a 'duty to collaborate' with other public services and a 'duty to co-produce' public services with the public.
Greater training and workforce investment	**Policy Option Three: The government should set a 'Workforce Development Target' - an objective for spending on public sector workforce investment and training, as a proportion of overall public sector spending.** **Policy Option Four: The government should commission an independent review into the feasibility of treating human capital investment in the same manner as physical capital investment in its fiscal rules.**
New institutions to support strategic workforce planning in central government	**Policy Option Five: The government establishes a Public Service Workforce Commission, a new unit housed in the Cabinet Office to provide independent public sector workforce forecasts, alongside research and advice on relevant policy areas (e.g. immigration, training, skills, public sector pay etc).** The Commission would work closely with wider government departments, who would remain sources of subject matter expertise and specialist knowledge, but it would seek to build a distinctively cross-service picture of workforce challenges, something hard to achieve outside the centre of government.

INTRODUCTION

Rising waiting lists. Crumbling buildings. Exhausted professionals. It's increasingly clear that Britain cannot get back on the right track without a public service renewal. The new Labour government appears to understand the need for change. HM Treasury's *Fixing the foundations: Public spending audit 2024-25* document, published in July 2024, indicates that the government will put a strong emphasis on public service reform:

> *"The government will use the Spending Review to change the way public services are delivered by embedding a mission-led approach, driving forward public service reform and making the best use of technology to better deliver services."[6]*

NEW PUBLIC MANAGEMENT, THE LAST NATIONAL VISION FOR PUBLIC SERVICE REFORM, HAS RUN ITS COURSE

Before embarking on a new reform agenda, however, the government needs a clear sense of what it is trying to achieve.

The last national vision for public service reform was inspired by New Public Management (NPM) - a governing philosophy which sought to inject markets and private sector managerialism into public services. NPM's policy prescriptions have often been described as the Three Ms: Markets, Managers and Measurement.[7] Through Thatcher's 'Next Steps' initiative in the late 1980s, John Major's 'Citizen's Charter' and waves of reform under New Labour, this powerful vision shaped reform in the UK for decades, underpinned by a sustained cross-party consensus.

Over time, however, the limitations of this agenda have become clear. We have seen the effectiveness of its policy prescriptions weaken. Targets, where used inappropriately or excessively, can lead to gaming. Markets have been very challenging to build in public services. Today's public services struggle to tackle, multifaceted challenges, such as obesity or poverty. Finally, it has led to unintended consequences, from demoralised, exhausted workforces to the deepening of service delivery siloes. It's clear that we need a new approach.

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6   HM Treasury, Fixing the foundations, July 2024. Available at: https://assets.publishing.service.gov.uk/media/66a793cba3c2a28abb50d8a1/ E03171937_-_Fixing_the_foundations_-_public_spending_audit_2024-25_-_Final_Web_Accessible.pdf (accessed 7 October 2024).
7   Louise Dalingwater, Post-New Public Management (NPM) and the Reconfiguration of Health Services in England, Observatoire de la société britannique, 16 | 2014, 51-64.

WE HAVE NOT HAD A NEW NATIONAL VISION, BUT WE HAVE SEEN A LOCAL REVOLUTION IN THINKING AND PRACTICE

However, we have not seen a move to a new, coherent *national* vision for public services. The last cross-cutting public service reform strategy for the UK was the Coalition Government's *Open Public Services* agenda, launched in 2011 and then dropped a few years later. There have been piecemeal attempts to reform individual public services nationally, but there has been no shared version animating such changes. This means that any attempts to reform one service are inevitably undermined by a lack of alignment in other areas.

However, during the same period without a clear national vision, we have seen a revolution in thinking at a local level. Often responding to external pressures, such as austerity, councils, charities and providers have been experimenting with a new approach across the country. This has challenged many of the key tenets of New Public Management, primarily:

- **Designing for complexity**, acknowledging that the world isn't simple and linear.

- **Understanding human behaviour as intrinsically motivated**, rather than responding best to external motivators, for example punishments and rewards (e.g. targets, sanctions etc).

- **Building resilience to unlock prevention**, not always seeking to deliver more efficiency.

- **Experimentalism**, not command and control.

A NEW NATIONAL VISION: *LIBERATED PUBLIC SERVICES*

Inspired by that local revolution, in May 2024 we set out a new national vision for public services, which we call liberated public services. Inspired by Gateshead Council's pioneering 'liberated method',[8] we call for public services to be liberated from New Public Management across four domains:

- **Citizens** are liberated to bring their whole selves to services and seen as a resource to be worked with.

- **Professionals** are liberated from extensive pressure from the centre: excessive targets, compliance regimes, rigid service specifications and monitoring.

- **Communities** are liberated to partner with public services, whether formally or informally.

- **Policy makers in central government** - ministers, advisors and civil servants - are liberated from day-to-day micromanagement of services and providers to a broader, strategic role supporting learning and best practice.

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8   https://www.changingfuturesnorthumbria.co.uk/rethinking-public-service

In our vision paper we describe three principles to deliver that vision, summarised below:

TABLE 1
SUMMARY OF DEMOS' 'LIBERATED PUBLIC SERVICES' PRINCIPLES

FEATURE	NEW PUBLIC MANAGEMENT	LIBERATED PUBLIC SERVICES
What is the goal of public service reform?	To deliver more **efficient** public services.	To improve the lives of citizens and create strong social and economic foundations, which underpin the government's broader economic and social **missions**.
How should different parts of the public services ecosystem interact?	Through **competition**, to deliver improvements through the principles of free market economics.	Through **collaboration**, to respond to the fact of complexity and the need to join-up services around the user and their communities.
What role should policy makers at the centre play in improving public services?	Use **command-and-control** techniques (targets, sanctions, service specifications) to ensure efficiency and maintain standards.	Encourage **experimentalism** throughout the public services ecosystem, supporting learning and innovation.

Source: Author's analysis

POLICY WORKSTREAMS

We are now applying this vision to five policy workstreams:

- **Workstream One:** Governance duties and structures.
- **Workstream Two:** Accountability
- **Workstream Three:** Funding Models
- **Workstream Four:** Workforce
- **Workstream Five:** Citizens

METHODOLOGY

Each workstream is informed by a multi-stage research and policy development process:

1. Desk-based research

First, Demos researchers undertook an analysis of the relevant key academic, policy and government literature. We generated a number of key findings on which to base the rest of our analysis and policy development.

2. Advisory Board

Demos researchers then tested our key findings and emerging recommendations with the Taskforce's Advisory Board in a private discussion.

3. Expert Online Roundtable

We then further refined our analysis and recommendations with a wider group, encompassing Taskforce Policy Advisors and attendees of an expert online roundtable.

4. Discussion Paper - drafting and analysis

We considered the feedback received throughout the policy development process, we then iterated our analysis and recommendations through a series of Discussion Paper drafts, and shared for comment with a number of external experts.

PAPER SCOPE

Given public services are largely devolved to the devolved assemblies in Northern Ireland, Scotland and Wales, this paper focuses primarily on England.

CHAPTER ONE
THE PUBLIC SERVICE WORKFORCE CRISIS: SYMPTOMS AND CAUSES

The previous chapter introduced the concept of 'liberated public services'. In this chapter we examine the symptoms and causes of the crisis in the public service workforce today.

SYMPTOM ONE: **RECORD VACANCIES ACROSS PUBLIC SERVICES**

Across the board, public services in England are seeing record levels of vacancies.[9] In 2023, the Department for Education's recruitment targets for secondary school teachers were missed by 50%.[10] In the same year, the number of classroom teacher vacancies in secondary schools hit record high with nearly one percent of posts lying vacant in November.[11] In 2024, the overall teacher vacancy rate is 0.6% - double the pre-pandemic level.[12]

9   Open Access Government, The UK sees a 26% increase in new vacancies in public sector jobs, 2023. Available at: https://www.openaccessgovernment.org/increase-vacancies-public-sector-jobs-uk-data/159095/#:~:text=Public%20sector%20jobs%20in%20the,by%2026%25%20in%20the%20UK

10   Lucas Cumiskey, DfE slashes secondary teacher recruitment targets, Schools Week, 2024. Available at: https://schoolsweek.co.uk/dfe-slashes-secondary-teacher-recruitment-targets/

11   James Zuccollo, The workforce challenges facing an incoming government, EPI, 2024. Available at: https://epi.org.uk/publications-and-research/blog-the-workforce-challenges-facing-an-incoming-government/#:~:text=The%20number%20of%20vacancies%20for,schools%20have%20had%20recruiting%20teachers.

12   Jonathan Cribb, Magdalena Dominguez and Andrew McKendrick, Pressures on public sector pay, IFS, 2024. Available at: https://ifs.org.uk/publications/pressures-public-sector-pay

FIGURE 1

VACANCY RATES IN PRIMARY AND SECONDARY SCHOOLS IN ENGLAND
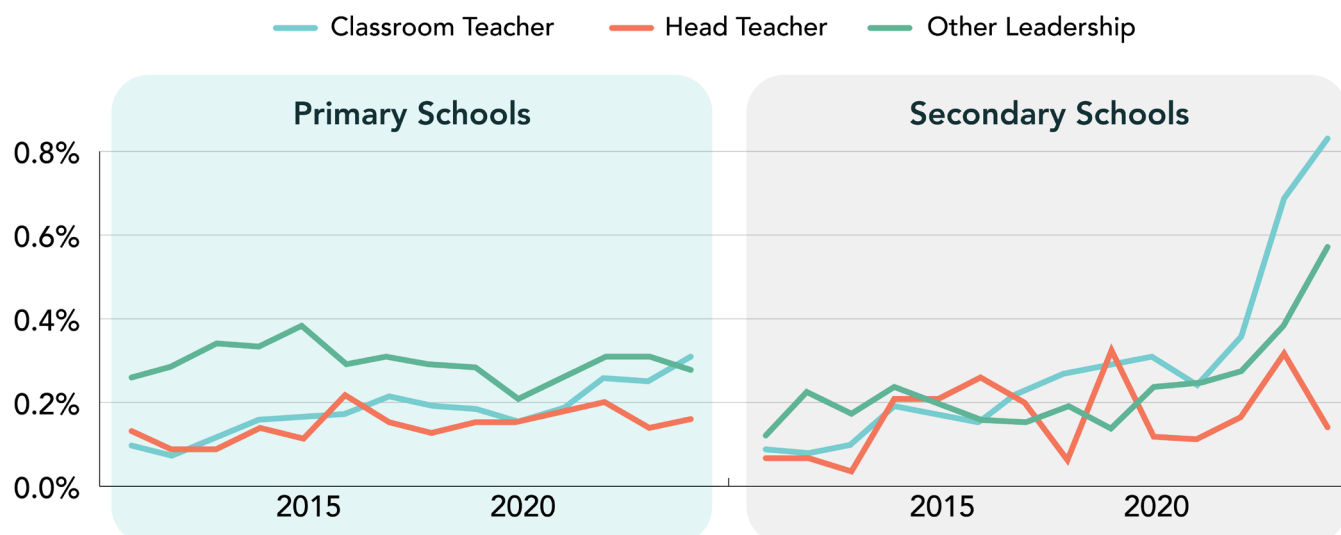
Source: School Workforce in England 2023

Vacancies are also a persistent issue in health and social care. For 2022-23, the NHS vacancy rate was reported at 8.4% (121,000 full-time equivalent roles) with 10.7% of the workforce (154,000 workers) leaving their job. In social care, the vacancy rate was 9.9% (152,000 full-time equivalent roles) as a mammoth 28.3% of the workforce (390,000 workers) left their jobs in that year.[13]

FIGURE 2

LEAVING RATES OF TEACHERS IN ENGLAND
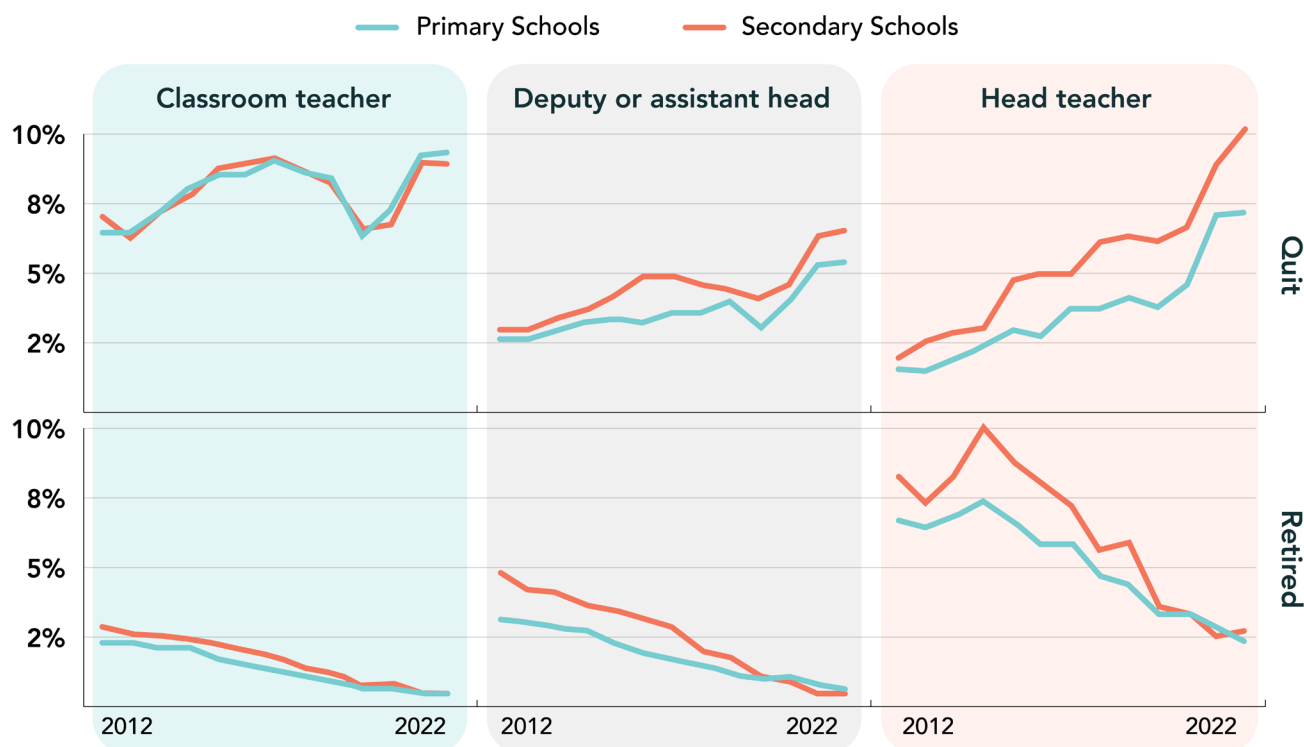
Source: School Workforce in England 2023

13   The Kings Fund, Staff shortages, 2024. Available at: www.kingsfund.org.uk/insight-and-analysis/data-and-charts/staff-shortages#:~:text=This%20shortage%20in%20staff%20can,9.9%25%2C%20or%20152%2C000%20roles.

Vacancies are also a particularly acute challenge for prisons. In the 12 months from March 2021 to March 2022, more than one in seven prison officers left their jobs, a 5.4 percentage point increase compared to the previous year and with resignations making up three quarters of departures.[14] Aside from a brief pandemic-induced dip in 2020/21, the leaving rate of prison officers has increased every year since 2009/10.[15]

SYMPTOM TWO: HIGH USE OF AGENCY STAFF

The growing use of agency workers is another significant challenge for the public service workforce . An in-depth examination of the issue for the Office of Manpower Economics by NIESR found that: "Despite discrepancies in methodology and definition, the weight of evidence suggests increased use of agency staff within the public education and health sector in the UK."[16]

There is good evidence in the NHS that more agency workers leads to poorer outcomes for patients, lower quality services (defined in terms of service standards) and lower patient satisfaction.[17] Moreover, paying for agency staff wastes valuable resources as they cost more than in-house staff. The Royal College of Nursing evaluated that, between 2020 and 2022, hospitals in England spent a total of £3.2 billion in order to keep the basic functioning of some wards and to cover rota-gaps - enough funding to fill three quarters of all NHS vacancies.[18] High numbers of agency staff have also led to major failings in services, for example in relation to the death of Star Hobson in Bradford.

14   Prison Reform Trust, New figures reveal exodus of prison staff. Available at: https://prisonreformtrust.org.uk/new-figures-reveal-exodus-of-prison-staff/

15   Gil Richards and Nick Davies, Performance Tracker 2023: Prisons, IfG, 2023. Available at: https://www.instituteforgovernment.org.uk/publication/performance-tracker-2023/prisons

16   Johnny Runge, Nathan Hudson-Sharp and Heather Rolfe, Use of Agency Workers in the Public Sector, Report to OME, NIESR, 2017. Available at: https://www.niesr.ac.uk/wp-content/uploads/2021/10/NIESR_agency_working_report_final.pdf

17   Johnny Runge, Nathan Hudson-Sharp and Heather Rolfe, Use of Agency Workers in the Public Sector, Report to OME, NIESR, 2017. Available at: https://www.niesr.ac.uk/wp-content/uploads/2021/10/NIESR_agency_working_report_final.pdf

18   RCN, NHS has squandered billions on agencies that could have been used to hire over 31,000 nurses, 2023. Available at: www.rcn.org.uk/news-and-events/Press-Releases/nhs-has-squandered-billions-on-agencies-that-could-have-been-used-to-hire-over-31000-nurses#:~:text=Instead%2C%20the%20recruitment%20crisis%20in,trained%20over%2086%2C000%20new%20nurses.

CASE STUDY
THE DEATH OF STAR HOBSON

Bradford Council's agency staff expenditure is higher than anywhere else in England; more than 44% of their workers are from agencies and it spends more on part-time staff than on permanent workers.[19] The Independent Review of Children's Social Care specifically assessed that "high turnover of social workers had a substantial impact on quality of practice. The agency social worker who made a home visit on 4 September 2020 [18 days prior to Star's murder] had no previous knowledge of Star or her family. They left the service the following week (with one week's notice) with the assessment incomplete." At the time of Star's murder, Bradford Council employed agency social workers at three times the English average.[20] Annie Hudson, the Chair of the Child Safeguarding Practice Review Panel, highlighted "the problems of over reliance on agency social workers" and that "it's also very, very expensive; agency social workers can cost at least 50 per cent or more than a permanently employed social worker."[21]

SYMPTOM THREE: KNOCK-ON PRESSURES - LOW MORALE AND STAFF BURNOUT

Unsurprisingly, record vacancies are causing a range of knock-on effects, including low morale and staff burnout. As described by the Lloyds Bank Foundation for England and Wales, "The level of unfilled vacancies … adds pressure to an already overstretched workforce, as services are forced to operate at lower capacity, reducing the number of people who can access support. In many cases, existing staff have to step in to fill the capacity gap and meet demand for services, which in turn can lead to burnout or further staff turnover."[22]

The *Teacher Labour Market England Report 2024* - the most recent edition of The National Foundation for Education Research's annual reporting of Englands' teaching conditions, recruitment and retention numbers and key indicator of the progress in the education system - indicates that the chronic issue of teacher supply in the public sector is exacerbating due to increased workload pressures.[23]

In health, the challenge of budgets not keeping pace with demand, increased vacancies and a rise in agency overreliance has heightened demands on staff who are stretched thinner than

19   Jason Farrell, Star Hobson: Council that failed to prevent toddler's death has high turnover of social workers, Sky News, 2022. Available at: https://news.sky.com/story/star-hobson-council-that-failed-to-prevent-toddlers-death-has-high-turnover-of-social-workers-12622008
20   Fiona Simpson, Star Hobson review chair: 'Over reliance' on agency social workers contributed to toddler's death, CYPN, 2022. Available at: www.cypnow.co.uk/content/news/star-hobson-review-chair-over-reliance-on-agency-social-workers-contributed-to-toddlers-death/
21   Fiona Simpson, Star Hobson review chair: 'Over reliance' on agency social workers contributed to toddler's death, CYPN, 2022. Available at: www.cypnow.co.uk/content/news/star-hobson-review-chair-over-reliance-on-agency-social-workers-contributed-to-toddlers-death/
22   House of Lords Public Services Committee, Lloyds Bank Foundation for England & Wales – Written evidence FFF0006, 2022. Available at: https://committees.parliament.uk/writtenevidence/106575/html/
23   NFER, Teacher recruitment and retention crisis shows no signs of abating, new report reveals, 2024. Available at: www.nfer.ac.uk/press-releases/teacher-recruitment-and-retention-crisis-shows-no-signs-of-abating-new-report-reveals/

ever before.[24] This has led to an environment of intense pressure in the NHS as its employees are 50% more likely to experience chronic stress than other workers.[25] The Deputy Chief Executive of NHS Providers has stated that "persistent pressure is sapping doctors' morale and causing burnout. Stress, anxiety and depression remain the top reasons for thousands of staff being off work sick … Heavy workloads, long hours, staff shortages and long waiting lists are cited while more doctors say they don't feel valued [and] are particularly at high risk of burnout and taking steps to quit."[26]

The Police Foundation reports "low morale, poor wellbeing, and unmanageable workloads" amongst their workers.[27] For social workers, "urgent action is needed to address the impact of staffing pressures and shortages on wellbeing [such as] emotional exhaustion, anxiety, stress and burnout of staff."[28] The Nuffield Trust has also highlighted worsening degrees of burnout in the adult social care sector following the pandemic and lockdown measures.[29]

THE RESULT? A VICIOUS CYCLE

...causing **low morale**, staff burnout and higher **staff turnover**...

...**record vacancies** across public services...

TODAY'S VICIOUS CYCLE

... causes higher use of **agency staff** leading to **poorer outcomes** for patients...
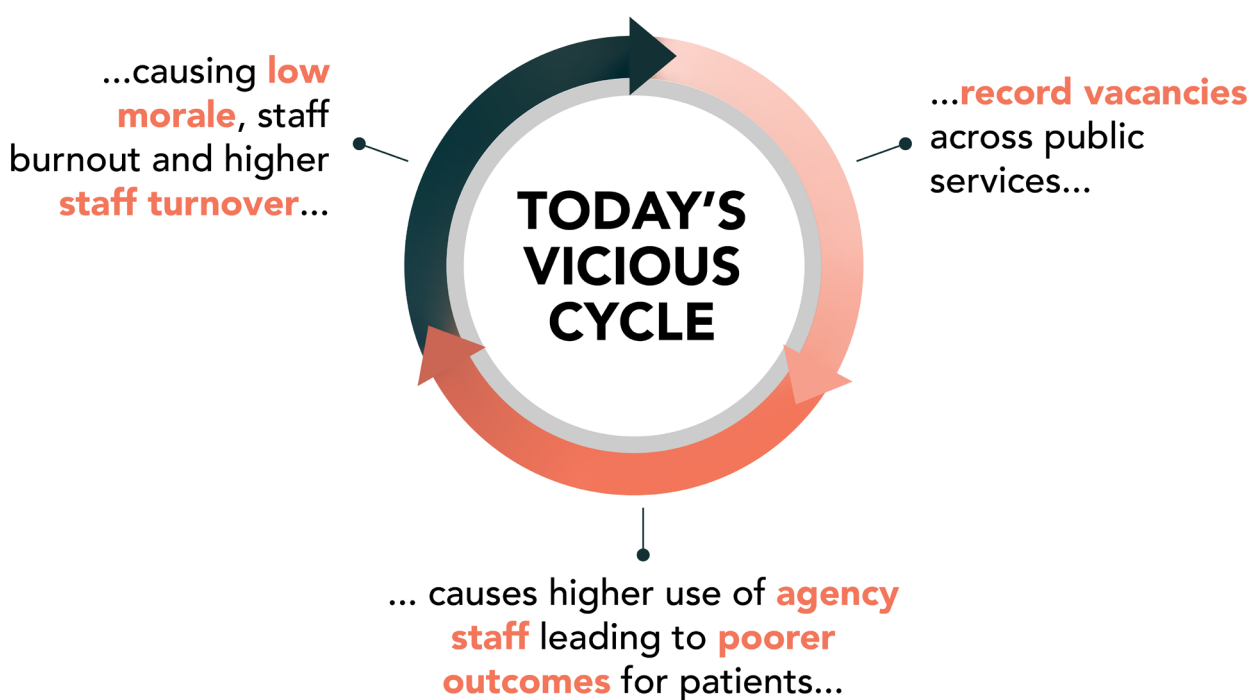
All of these challenges add up to a recognisable cycle: many of those who deliver crucial public services feel overworked, underpaid, stressed and burnt-out; this has a direct impact on staff turnover and feeds into a vicious circle which ultimately affects service users. Unsuccessful recruitment efforts, failing to fill substantial vacancies, only places an even higher burden on the existing staff who are stretched to cover more ground with fewer people and resources. Agency workers, intended to be emergency relief, are now routinely called upon to fill these roles,

24   Saoirse Mallorie, NHS workforce in a nutshell, The Kings Fund, 2024. Available at: www.kingsfund.org.uk/insight-and-analysis/data-and-charts/nhs-workforce-nutshell#:~:text=Vacancies%20remain%20a%20big%20concern,sufficient%20staff%20to%20keep%20up.
25   House of Commons Health and Social Care Committee, The King's Fund – Written evidence WBR0017, 2020. Available at: https://committees.parliament.uk/writtenevidence/10944/pdf/
26   NHS Providers, Burnout forcing doctors to quit NHS as heavy workloads take toll, 2024. Available at: https://nhsproviders.org/news-blogs/news/burnout-forcing-doctors-to-quit-nhs-as-heavy-workloads-take-toll#:~:text=Saffron%20Cordery%2C%20deputy%20chief%20executive,doctors'%20morale%20and%20causing%20burnout.
27   House of Lords Public Services Committee, Police Foundation – Written evidence (FFF0051), 2022. Available at: https://committees.parliament.uk/writtenevidence/107134/html/
28   House of Lords Public Services Committee, Shaw Trust – Written evidence (FFF0008), 2022. Available at: https://committees.parliament.uk/writtenevidence/106578/html/
29   House of Lords Public Services Committee, Nuffield Trust – Written evidence (FFF0042), 2022. Available at: https://committees.parliament.uk/writtenevidence/106727/pdf/

becoming as integral to day-to-day service delivery as the rest of the workforce but with less security in their position and less speciality training - thus the quality of the service provided is often of a lower standard also. The instability and insufficiency of the workforce makes delivering public services harder for frontline workers on the whole, furthering job dissatisfaction, causing people to leave their jobs and dissuading others from joining. This can create a vicious cycle of understaffed and overworked public sector workers delivering what ultimately become lower quality services.

Having considered the most concerning symptoms of the public service workforce crisis, we now move to identify some causes of this crisis.

CAUSE ONE: INSUFFICIENT PAY

According to Institute for Fiscal Studies analysis, real terms pay in the public sector fell on average by 2.5% between 2010 and 2023, while average private sector pay grew by 3.9%. This, however, disguises much bigger falls in wages in some public sector professions. In the NHS during this period, doctors saw their pay fall by 14.6% in real terms and teachers by 9% in real terms. Paul Johnson notes that the last 15 years of public sector pay compression is not a recalibration of wages to the private sector standard, but rather that public and private sector pay is pulling further and further apart.[30]

Low pay has a wide range of negative consequences for the public service workforce. A 2022 report found that 84% of low-paid public sector workers across the UK (defined as earning £20,000 a year or under) say that rising bills and household budget pressures are taking a toll on their health; 80% have been affected by anxiety; 75% report feeling down; and 67% have difficulty sleeping.[31]

There is also strong evidence that this has been a persistent contributing factor to record vacancies. As of 2024, 25% of all public sector workers struggled to pay their household bills and 38% are either actively considering leaving their job or have actually begun taking steps to do so.[32] The IFS' 2024 review of public sector pay highlights particular examples where low pay rises have had a direct causal link with recruitment and retention struggles and thus high vacancies as a corollary.

In policing, from 2014 to 2023, police constables have moved down the earning distribution curve from the 34th percentile to the 26th percentile, approximately; this has occurred while police forces nationally are struggling with staff numbers despite expansion recruitment drives.[33] Submitting written evidence to the Home Affairs Committee inquiry into Policing Priorities, the Police Superintendents Association stated that "the police service can't afford to pay for the experience needed to keep a pace with development. We therefore lose countless skilled, talented individuals who cannot see a reason to stay within policing. In addition, changes to pay and pensions are forcing experienced officers to leave the Service early, as they face major financial implications if they stay."[34]

For the NHS to address its recruitment and retention crisis, the IFS have cited low pay rises as an impediment and that NHS wages may even have to rise faster than average wages - across

30   Paul Johnson, Favouring the low paid has backfired on the public sector, IFS, Originally published in The Times, 2024. Available at: https://ifs.org.uk/articles/favouring-low-paid-has-backfired-public-sector
31   HEFMA, UNISON speaks up for lowest paid public sector staff, 2022. Available at: https://www.hefma.co.uk/news/unison-speaks-up-for-lowest-paid-public-sector-staff
32   TUC, Nearly two-fifths of public sector workers have taken steps to leave their profession or are actively considering it, 2024. Available at: www.tuc.org.uk/news/nearly-two-fifths-public-sector-workers-have-taken-steps-leave-their-profession-or-are
33   Jonathan Cribb, Magdalena Dominguez and Andrew McKendrick, Pressures on public sector pay, IFS, 2024. Available at: https://ifs.org.uk/publications/pressures-public-sector-pay
34   Home Affairs Committee, Police Superintendents Association – Written evidence (POP0073), 2022. Available at: https://committees.parliament.uk/writtenevidence/113744/html/

the public and private sector - in order to be competitive enough to retain and attract sufficient workers.[35] In 2022, 80% of NHS staff cited low pay as the principal reason that would cause them to quit their job.[36] Lord Patel, who chaired the House of Lords Select Committee on the Long-term Sustainability of the NHS, commented that "we are in an increasingly competitive international market for health professionals and a decade of pay constraint in the NHS has damaged morale and made it difficult to train and recruit the staff we need".[37]

The Health Foundation has closely assessed root causes for vacancy crises in social care and found that increasing pay and reward must be central to any efforts to improve recruitment and retention.[38] Despite being amongst the countries lowest paid workers, frontline care staff continue to receive real-terms pay cuts; higher pay awards have been empirically shown to significantly improve workforce retention in social care and to have a positive impact on the quality of care provision.[39]

In the prison service - where budgetary constraints, insufficient prison places and high staff vacancies are well reported - The Prison Officers Association are demanding higher wages to correct real terms pay erosion of over a decade.[40] Low wages are detrimental to retention: 13% of all prison staff left their roles in 2023 with the most common leavers being officers who had been in post for under 12 months.[41] This high turnover of prison officers has been described by the Ministry of Justice as being significantly "pay driven".[42]

TABLE 2
PERCENTAGE CHANGE IN REAL MEAN EARNINGS BETWEEN APRIL 2010 AND APRIL 2019, AND BETWEEN APRIL 2019 AND SEPTEMBER 2023, BY GROUP

	PERCENTAGE CHANGE IN REAL EARNINGS		
GROUP	2010 - 2019	2019 - 2023	**2010 - 2023**
Public sector (excl. financial services)	-2.6	0.0	**-2.5**
Nurses	-7.1	0.7	**-6.5**
Doctors	-9.5	-5.7	**-14.7**
Teachers	-13.4	5.1	**-9.0**
Educational assistants	6.9	8.7	**16.2**
Private sector	1.1	2.8	**3.9**

35   Jonathan Cribb, Magdalena Dominguez and Andrew McKendrick, Pressures on public sector pay, IFS, 2024. Available at: https://ifs.org.uk/publications/pressures-public-sector-pay

36   The News Line, An inflation-busting pay rise is needed to keep key NHS staff from quitting their vital role!, 2022. Available at: https://wrp.org.uk/features/an-inflation-busting-pay-rise-is-needed-to-keep-key-nhs-staff-from-quitting-their-vital-role/

37   House of Lords, NHS sustainability under threat - Lords Committee, 2017. Available at: www.parliament.uk/business/lords/media-centre/house-of-lords-media-notices/house-of-lords-media-notices-2017/april-2017/nhs-sustainability-under-threat---lords-committee/

38   Lucinda Allen and Nihar Shembavnekar, Social care workforce crisis. How did we get here and where do we go next?, The Health Foundation, 2023. Available at: www.health.org.uk/news-and-comment/blogs/social-care-workforce-crisis#:~:text=Unsurprisingly%2C%20another%20survey%20found%20that,at%20the%20beginning%20of%20pandemic.

39   Lucinda Allen and Nihar Shembavnekar, Social care workforce crisis. How did we get here and where do we go next?, The Health Foundation, 2023. Available at: www.health.org.uk/news-and-comment/blogs/social-care-workforce-crisis#:~:text=Unsurprisingly%2C%20another%20survey%20found%20that,at%20the%20beginning%20of%20pandemic

40   Beckie Smith, Prison officers' union demands 8.3% pay rise amid 'retention crisis', Civil Service World, 2024. Available at: www.civilserviceworld.com/professions/article/poa-prison-officers-pay-rise-83-union-retention-crisis

41   Jonathan Cribb, Magdalena Dominguez and Andrew McKendrick, Pressures on public sector pay, IFS, 2024. Available at:chttps://ifs.org.uk/publications/pressures-public-sector-pay

42   House of Lords Public Services Committee, Fit for the future? Rethinking the public services workforce, Chapter 4: Recruiting people, 2022, Available at: https://publications.parliament.uk/pa/ld5803/ldselect/pubserv/48/4807.htm

CAUSE TWO: LACK OF RECOGNITION

During their inquiry into the public services workforce, the House of Lords Public Services Committee heard wider ranging concerns about a lack of recognition for workers. Sarah McClinton, President of the Association of Directors of Adult Social Services, described how: "staff have shown huge commitment and compassion. They do very skilled jobs that support people to live the lives that they want to lead in crisis and in the longer term … but care staff often feel they are forgotten, undervalued and not always recognised."[43] Health Foundation analysis has found that a majority of care workers felt "undervalued and neglected" and that - for a third of care workers - their desire to remain working in the social care sector has decreased by a little or a lot following their experience of working in recent years.[44]

In the NHS, 64% of staff questioned in 2022 said that they felt undervalued by the government or their employer.[45] Support staff are widely viewed as undervalued by and disregarded in NHS evaluations;[46] midwives and the wider maternity workforce often reports low morale due to a lack of professional recognition, leading to lower retention rates;[47] and the Royal College of Nursing report that "Nurses and nursing support workers feel undervalued and unsafe, causing an alarming number of them to leave the profession altogether". The main reason reported by staff for wanting to leave nursing is a feeling of being undervalued.[48]

In teaching, only 23% of teaching staff said that, if they had the opportunity to return to the start of their careers, they would retrain in the profession.[49] Only 51% of primary teachers and 50% of secondary teachers said they felt that staff in their school usually received recognition for doing a good job.[50]

In policing, the Police Foundation has reported "low morale, poor wellbeing, and unmanageable workloads" amongst their workers, as well the fact that policing overall is "less valued, less respected … than it was 30 years ago".[51] Overall, the Pay and Morale Survey 2023 from the Police Federation of England and Wales found that 71% of officers said they did not feel valued within the police, 73% said they would not recommend joining the police to others, and that 22% intend on leaving the force in the next 24 months, 78% of which cited poor government treatment as a contributing factor.[52]

43   House of Lords Public Services Committee, Fit for the future? Rethinking the public services workforce, Chapter 3: Experiences in the workforce, 2022, Available at: https://publications.parliament.uk/pa/ld5803/ldselect/pubserv/48/4806.htm
44   Lucinda Allen and Nihar Shembavnekar, Social care workforce crisis. How did we get here and where do we go next?, The Health Foundation, 2023. Available at: www.health.org.uk/news-and-comment/blogs/social-care-workforce-crisis#:~:text=Unsurprisingly%2C%20another%20survey%20found%20that,at%20the%20beginning%20of%20pandemic.
45   The News Line, An inflation-busting pay rise is needed to keep key NHS staff from quitting their vital role!, 2022. Available at: https://wrp.org.uk/features/an-inflation-busting-pay-rise-is-needed-to-keep-key-nhs-staff-from-quitting-their-vital-role/
46   Professor Richard Griffin, Dr Abi Hall and Professor Ian Kessler, The Cavendish Review Ten Years On: Are NHS support workers still 'invisible'?, KCL, 2024. Available at: www.kcl.ac.uk/business/assets/the-cavendish-review-10-years-on-kbs-report.pdf
47   Royal College of Midwives, RCM Chief Exec warns MPs of 'fragile' maternity workforce, 2022. Available at: https://rcm.org.uk/media-releases/2022/05/rcm-chief-exec-warns-mps-of-fragile-maternity-workforce/
48   Anna Argyrides et al., Valuing Nursing in the UK, Royal College of Nursing, 2023. Available at: www.rcn.org.uk/Professional-Development/publications/valuing-nursing-in-the-uk-uk-pub-010-695
49   Ben Jones, Just 23% of teachers would 'certainly' train to teach again, TES, 2023. Available at: www.tes.com/magazine/news/general/teacher-training-itt-costs-crisis-retrain#:~:text=Just%2023%20per%20cent%20of,path%20again%2C%20new%20data%20shows.
50   Becky Allen et al., Teacher Recruitment and Retention in 2024, Teacher Tapp, 2024. Available at: www.gatsby.org.uk/uploads/education/2024-06-13-teacher-tapp-final-teacher-recruitment-and-retention-in-2024.pdf
51   House of Lords Public Services Committee, Fit for the future? Rethinking the public services workforce, Chapter 3: Experiences in the workforce, 2022, Available at: https://publications.parliament.uk/pa/ld5803/ldselect/pubserv/48/4806.htm
52   Kent Police Federation, Pay and Morale Survey: Undervalued police officers planning to quit, 2024. Available at: www.polfed.org/kent/news/2024/pay-and-morale-survey-undervalued-police-officers-planning-to-quit/#:~:text=71%20per%20cent%20said%20they%20did%20not%20feel%20valued%20within%20the%20police.&text=92%20per%20cent%20of%20respondents,and%20strains%20of%20their%20job.&text=86%20per%20cent%20said%20they,of%20their%20team%20or%20unit.

CAUSE THREE: LACK OF AUTONOMY FOR FRONTLINE STAFF

The House of Lords Public Services Committee found that the disempowerment of frontline public service workers is a contributing factor to the inefficiency and underperformance of public services.

Academics from Brunel University delivered evidence to the committee arguing that "a focus on compliance, performance and efficiency that often overrides empowerment, care and compassion [leads to] high staff turnover, bullying, discrimination and a disinclination to enter public service organisations, including by managers".[53] A perceived lack of freedom can entrench a feeling of distrust as frontline staff - who ultimately are more likely to know and understand the most pressing and immediate functions and needs of their role, workplace and sector - may feel that the discretion for them to perform their job to the best of their ability is hampered by managerial direction and government priorities that are not necessarily in sync with the feeling on the ground. Disempowerment makes workers feel less valued, less trusted and less important, leading to familiar workforce retention struggles. In a contribution to the Lords Committee's inquiry, Tom Surrey, the DHSC's Director for Adult Social Care, also specifically asserted that there is a causal relationship between frontline staff empowerment and retention, stating "that the organisation culture, the value and the empowerment of individuals in their roles, rather than just the direct impact of pay, enables them to retain the staff that they have."[54]

The Institute for Government and the Productivity Institute found through their investigations into public sector limitations that innovation through greater autonomy can have marked benefits in terms of efficiency and service-delivery in criminal justice and law enforcement[55] and in health and social care,[56] among other examples of improvements that can be realised at little to no cost in the short-term and that produce savings in the long-term.

Granting greater discretion to workers is conducive to more positive working environments in the public sector. There has been a demonstrable correlation between the rate of task-completion and management practices that facilitate increased autonomy.[57] The implication is that giving frontline staff greater control over how they carry out their tasks and deliver public services stimulates employee motivation, fostering a sense of empowerment and improving performance. Enshrining innovative thinking through greater autonomy and purpose has been actioned in other countries; a study on the Norwegian public sector assessed that frontline staff who felt that they had been trusted with decision-making powers and a certain degree of autonomy in their role self-reported being more innovative as a result.[58]

Elements of this approach seemed to aid healthcare performance during the Covid-19 pandemic. As discussed by Mannion and colleagues in the British Medical Journal, the Department of Health and Social Care allowed for much greater autonomy where it assessed that local decision making would optimise pandemic response and care.[59] While it is understandable for the highly expensive, major, national programmes to be controlled centrally

53   House of Lords Public Services Committee, Dr Bryan McIntosh et al. – Written evidence (FFF0016), 2022. Available at: https://committees.parliament.uk/writtenevidence/106654/html/

54   House of Lords Public Services Committee, Corrected oral evidence, Evidence Session No. 12, Q100, 2022. Available at: https://committees.parliament.uk/oralevidence/10193/html/

55   IfG, Productivity Pitches #2: criminal justice and law enforcement, 2024. Available at: www.instituteforgovernment.org.uk/event/productivity-pitches-2-criminal-justice-system

56   IfG, Productivity Pitches #3: Health and social care, 2024. Available at: www.instituteforgovernment.org.uk/event/productivity-pitches-3

57   Alexandra Spicer, Pay, autonomy, and the desire to make a difference – three key factors for motivating public sector officials, The Blavatnik School of Government, University of Oxford, 2022. Available at: www.bsg.ox.ac.uk/blog/pay-autonomy-and-desire-make-difference-three-key-factors-motivating-public-sector-officials

58   Alexandra Spicer, Pay, autonomy, and the desire to make a difference – three key factors for motivating public sector officials, The Blavatnik School of Government, University of Oxford, 2022. Available at: www.bsg.ox.ac.uk/blog/pay-autonomy-and-desire-make-difference-three-key-factors-motivating-public-sector-officials

59   Russell Mannion, Frederick H Konteh and Rowena Jacobs, Impact of COVID-19 in mental health trusts, Journal of Health Services Research & Policy, 2022. Available at: https://journals.sagepub.com/doi/epub/10.1177/13558196221116298

- e.g. vaccine delivery and Test and Trace development - coalface innovation was encouraged and stimulated by the government, allowing local hospitals to adopt virtual wards and conduct consultations through video calls if they deemed it appropriate on the ground.[60] This allowed for rapid changes and different approaches to serving people in an acute environment: marking a depart from centralisation, enabling greater responsiveness and enhancing autonomy for frontline staff to self-organise and implement change at pace.[61]

CAUSE FOUR: EXCESS DEMAND FOR ACUTE SERVICES

The previous challenges have all been about elements within the workforce; here we focus on the challenge of increasing demand for services. Public services demand has become more acute in the last 15 years: the financial crisis, austerity, COVID-19 and a cost of living crisis have all contributed to the public relying more on public services and more intensely on acute services.

This is in part driven by demographic factors. We have an ageing population - the Office for National Statistics (ONS) predicts that over 65s are the fastest growing age group in the UK; by 2045, their projections suggest that the UK will have 44.6 million adults of working-age (a growth of under 5% compared to today) and 15.2 million of pensionable age (an almost 28% growth).[62] This growing demographic creates sustained pressure on hospitals and emergency departments, leading to a surge in patient admissions that - in the current state of health and social care provision - cannot be met sufficiently.[63] Moreover, according to ONS data, from 2014 to 2022, the number of working-age disabled people increased by 35%.[64] This creates additional demand on the health service and particularly in social care.

But it's also about the structure and nature of public services. As explored in Demos' essay *The Preventative State*, public services overall are becoming increasingly reactive and there are cases of expensive, late interventions that provide short-term solutions to fundamental problems. In the face of a dwindling number of social care workers, rather than improving pay and conditions, an overreliance on agency staff is seen as resulting in an unsustainable and expensive backbone of the English social care sector. Rather than proactively offering mental health support earlier to struggling parents, problems worsen until extreme, acute measures may be required such as removing children from parents. In terms of dealing with rising homelessness, instead of tackling the root causes with preventive housing policies and better support, the public sector often places families in temporary accommodation, which is costly, destabilising and offers no long-term solution to the homelessness crisis.[65]

60   Russell Mannion et al., The power of autonomy and resilience in healthcare delivery, British Medical Journal, 2023. Available at: www.bmj.com/content/382/bmj-2022-073331
61   Russell Mannion, Frederick H Konteh and Rowena Jacobs, Impact of COVID-19 in mental health trusts, Journal of Health Services Research & Policy, 2022. Available at: https://journals.sagepub.com/doi/full/10.1177/13558196221116298
62   House of Lords Public Services Committee, Fit for the future? Rethinking the public services workforce, Chapter 1: Introduction, 2022.
63   NHS England, Monthly operational statistics – March 2024, 2024. Available at: www.england.nhs.uk/long-read/monthly-operational-statistics-march-2024/
64   ONS, A08: Labour market status of disabled people, 2024. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusofdisabledpeoplea08
65   Shelter, Homelessness bill doubles in five years to £2.3bn, 2024. Available at: https://england.shelter.org.uk/media/press_release/homelessness_bill_doubles_in_five_years_to_2_3bn

CHAPTER TWO
A NEW WORKFORCE PARADIGM

In the previous chapter we saw that short-sighted policy decisions, particularly in relation to public sector pay, can contribute to a crisis in the public service workforce. It's clear that we need a new way of thinking about the public services workforce. Should this involve going back to the previous, pre-'new public management' paradigm, generally referred to as 'traditional public administration'?[66] This approach has its roots in Woodrow Wilson's ideas, who argued that the administration of the state should be separated from political decision making:

> "... administration lies outside the proper sphere of politics. Administrative questions are not political questions. Although politics sets the tasks for administration, it should not be suffered to manipulate its offices."[67]

This was a system of managing the state and workers around the apolitical nature of public servants and public services workers; a strong emphasis on hierarchy and rules; and a strong focus on bureaucracy.[68] For two reasons, it's not possible or desirable to return to this paradigm.

First, it isn't possible to return to an old paradigm which we have already transitioned away from. The social and economic conditions that supported 'traditional public administration' - a deferential public; high economic growth to support expansive, highly trained public bureaucracies; a strong sense of national purpose - no longer exist to the same extent they did before.

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66   R. A. W. Rhodes, Recovering the 'Craft' of Public Administration in Westminster Government, Public Administration Review, 2015. Available at: www.psa.ac.uk/sites/default/files/conference/papers/2015/Craft%20of%20PA_0.pdf

67   James Pfiffner, Traditional Public Administration versus The New Public Management: Accountability versus Efficiency, 2004. Available at: https://pfiffner.gmu.edu/files/pdfs/Book_Chapters/NewPublicMgt.doc.pdf

68   James Pfiffner, Traditional Public Administration versus The New Public Management: Accountability versus Efficiency, 2004. Available at: https://pfiffner.gmu.edu/files/pdfs/Book_Chapters/NewPublicMgt.doc.pdf

Second, 'new public management' arose for good reasons. Public sector bureaucracies were too often unresponsive to the public's demands and preferences. The public was expected to be highly deferential to bureaucrats and professionals, often driven by wider power dynamics (of class, race, gender etc). Hence the rise of consumerism and the application of consumerist principles to public administration; ideas typically associated today with the free market right, but with their roots in the work of progressive thinker Michael Young.[69]

It's clear that we need a new approach fit for the 2020s and beyond, which keeps what works from 'new public management' but responds to the challenges that have been plain to see throughout this presentation.

A NEW WORKFORCE PARADIGM: BALANCING RIGHTS AND DUTIES

New rights for workers…

We have argued throughout the Taskforce for more freedom for frontline workers. Why?

Liberate the workforce to unlock innovation

Throughout the Taskforce we have identified innovation as a key improvement driver, with innovation often overlooked by 'new public management'. The universality of its principles left little room for experimentation; with experimentation being the driver of innovation. A universality also led to significant drivers for 'replicability'.

That's why we have argued for a more 'experimental' approach to the governance of public services, inspired by Charles Sabel's 'experimentalist governance'. This approach responds to the challenges and demands of complexity. Sabel argues for an approach which prioritises experimentation, given at different places and different points in time, different approaches will be more or less suitable. This has to be supported with new freedoms for the frontline, because public service innovation so often comes from the frontline. As Geoff Mulgan describes:

> *"One of the few quantitative studies of public innovation, by the Canadian academic Sanford Borins, suggested that most public innovations are initiated by middle management or front line staff (he also suggested that most are internally driven rather than initiated in response to crisis or political pressure)."*

69   https://www.youngfoundation.org/insights/features/on-the-side-of-the-consumer-upholding-youngs-commitment-to-fairness/

CASE STUDY
FRONTLINE INNOVATION, NHS DURING COVID-19

As referred to in Chapter One, an example of increased autonomy and discretion for frontline workers leading to successful innovations occurred within the NHS during the COVID-19 pandemic.[70] As the crisis escalated, the traditional top-down management approach faced limitations, prompting the Department of Health and Social Care to loosen centralised control and empower local organisations and frontline staff to facilitate rapid, context-specific decision-making and adapt healthcare delivery to meet the surge in demand and shifting patient needs.[71] The result was a period of intense innovation driven by healthcare workers who leveraged their clinical expertise and firsthand knowledge of patient care.[72]

One of the standout innovations was the establishment of "virtual wards," where healthcare providers could monitor patients remotely, minimising the need for hospital admissions and optimising bed capacity. This approach, initially spearheaded by local teams, showcased how frontline workers' autonomy allowed them to implement technology-driven solutions effectively.[73] Nurses and doctors played critical roles in designing protocols for remote patient assessment, follow-up, and escalation pathways that were both clinically sound and operationally feasible. The success of virtual wards relied heavily on the trust placed in healthcare professionals to devise systems that worked in real-time, highlighting how discretion can catalyse adaptive innovation and more effective policy solutions.

In addition to lack of discretion, workforce pressures in terms of vacancies, morale and burnout infringes on frontline staff's innovative capacity.[74] Liberating public services does not involve giving carte blanche autonomy to frontline workers; this is not what happened during COVID-19. Clear performance targets - setting outcomes - remained centralised for parliamentary accountability and managerial purposes, while operational decision making - the practical means through which outcomes are reached - was devolved to the local level and to frontline staff.[75]

70   Russell Mannion, Frederick H Konteh and Rowena Jacobs, Impact of COVID-19 in mental health trusts, Journal of Health Services Research & Policy, 2022. Available at: https://journals.sagepub.com/doi/epub/10.1177/13558196221116298

71   Mark Exworthy et al. Decentralisation and Performance: Autonomy and Incentives in Local Health Economies, NCCSDO, 2010. Available at: https://researchonline.lshtm.ac.uk/id/eprint/18627/

72   Josep Figueras and Natasha Azzopardi Muscat, Health systems resilience during COVID-19: lessons for building back betterEuropean Observatory on Health Systems and Policies, World Health Organization, 2021

73   Russell Mannion et al., The power of autonomy and resilience in healthcare delivery, British Medical Journal, 2023. Available at: www.bmj.com/content/382/bmj-2022-073331

74   Billy Palmer, What should a health and social care workforce strategy look like?, BMJ, 378, 2022

75   Russell Mannion et al., The power of autonomy and resilience in healthcare delivery, British Medical Journal, 2023. Available at: www.bmj.com/content/382/bmj-2022-073331

Liberate the workforce to improve outcomes through tailored delivery and higher productivity

But it's not just about experimentation and innovation. It's also about freeing our professionals to improve day-to-day delivery. In particular, frontline workers can unlock a greater focus on strengths-based approaches, which emphasises "people's self-determination and strengths. As Alex Fox describes:

> *"A strengths-based approach to care, support and inclusion says let's look first at what people can do with their skills and their resources – and what can the people around them do in their relationships and their communities. People need to be seen as more than just their care needs – they need to be experts and in charge of their own lives.'"*

Ensuring professionals are not overly constrained by unnecessary, burdensome regulation, reporting requirements and rigid service specifications can create greater space for strengths-based working. And in turn, a greater focus on strengths-based approaches can itself give professionals more space "...to explore diverse outcomes, showcasing their innovativeness beyond basic needs."[76]

Liberate the workforce to unlock 'intrinsic motivation'

'New public management'-style reforms sought to change behaviour and influence service change through 'extrinsic motivation'. Extrinsic motivation describes a motivation to engage in an activity to obtain a separate consequence to the undertaking of the activity itself, for example a reward.

These policy changes were significantly inspired and influenced by Public Choice Theory. Public Choice Theory applied the tools and principles of neoclassical economics to the analysis of political behaviour. It argued that political behaviour - like economic behaviour - can be explained through the principles of selfish utility-maximisation. This is "politics without romance", as James Buchanan - one of the founders of Public Choice Theory - memorably put it.[77] This inspired waves of public service reform, the idea being that because public servants' interests are not necessarily aligned with the interests of the public, the behaviour of such public servants must be constrained. In Julian le Grand's classic description, public servants began to be seen more as knaves, i.e. motivated by their own selfish desires, rather than knights, i.e. motivated by a higher sense of purpose beyond self interest.

Politicians often talked of 'producer interest' needing to be constrained in public services. Indeed, attacking such 'producer interest' was central to former Prime Minister Tony Blair's interpretation of the New Labour project:

> *"Even now, a large part of the political discourse in Britain assumes that the "true" Labour party is one that puts trade unions before business; is indifferent to financial discipline; addicted to tax and spend; weak on issues of crime; irresponsible over state benefits for the unemployed or socially excluded; **backs the producer interest in public services**; and, give or take the odd exception, weak in defence and foreign policy. Since this government is plainly none of those things, ergo: we are not real Labour and are "unprincipled"."[78]*

76   https://academic.oup.com/swr/article/48/3/189/7721588?guestAccessKey=03cfd65b-3a0e-44ea-a3e2-598a3a9294f9&utm_source=authortollfreelink&utm_campaign=swr&utm_medium=email
77   William F. Shughart II, Public Choice, Econlib. Available at: https://www.econlib.org/library/Enc/PublicChoice.html
78   https://www.theguardian.com/politics/2002/mar/12/speeches.labour Emphasis added

However, there is an emerging academic consensus that unlocking *intrinsic motivation* is a better route to behaviour change.[79] Intrinsic motivation, as illustrated in Table 3, describes engaging in an activity for *intrinsic purposes*, for example because one finds it interesting, enjoyable or satisfying; engagement is not primarily driven because of the pursuit of an instrumental outcome. This distinction between different types of motivation was introduced by Deci and Ryan's work on Self-Determination Theory, developed in the 1980s.[80] As they describe:

> *"Over three decades of research has shown the quality of experience and performance can be very different when one is behaving for intrinsic versus extrinsic reasons".*

TABLE 3
EXTRINSIC VS INTRINSIC MOTIVATION

	EXTRINSIC MOTIVATION	INTRINSIC MOTIVATION
Definition	Engaging in an activity to obtain a separate consequence, e.g. a reward	Engaging in an activity because it is interesting and inherently satisfying
Theory	Public Choice Theory	Self-determination theory

Source: Author's analysis; Di Domenico and Ryan (2017)[81]

79   Quilter-Pinner, Harry, and Halima Khan. "GREAT GOVERNMENT." IPPR. (2023).
80   Ryan, Richard M., and Edward L. Deci. "Intrinsic and extrinsic motivations: Classic definitions and new directions." Contemporary educational psychology 25.1 (2000): 54-67.
81   Di Domenico SI, Ryan RM. The Emerging Neuroscience of Intrinsic Motivation: A New Frontier in Self-Determination Research. Front Hum Neurosci. 2017 Mar 24;11:145. doi: 10.3389/fnhum.2017.00145. PMID: 28392765; PMCID: PMC5364176; Ryan, Richard M., and Edward L. Deci. "Intrinsic and extrinsic motivations: Classic definitions and new directions." Contemporary educational psychology 25.1 (2000): 54-67.

CASE STUDY
LIBERATED METHOD, GATESHEAD COUNCIL[82]

Gateshead Council's pioneering of the Liberated Method is amongst the clearest cases of how increased frontline discretion and empowerment facilitates greater personalisation of service delivery, nurtures self-sufficiency and is ultimately more effective.[83] It has been an inspirational example of the Liberated Method being applied to put citizens' experience at the heart of public services.

The underlying philosophy is that people should be supported to access their inherent capacity to initiate change, moving beyond service dependency to active participation and self-sufficiency.[84] Providing the discretion for public sector workers to harness their intrinsic motivation and capacity for excellence, bespoke services are thus provided to citizens.

In Gateshead, caseworkers are allocated relatively low caseloads and are specifically paired with individual citizens; as opposed to citizens being assigned to different services and various caseworkers providing non-relational support, caseworkers work with citizens to understand their individual needs and to tailor services to them.[85] This is a person-centred, relationship-driven approach to public services.

With a high degree of autonomy, caseworkers operate according to two rules:

1. Do no harm;
2. Stay legal;

and within a set of 5 key, thematic principles:

1. Understand, not assess;
2. Pull for help (or refer and 'hold';
3. Decisions about the work made in work;
4. The caseworker/citizen set the scope;
5. The caseworker/citizen set the timescales.[86]

The driving focus of this approach is to cultivate the agency of the citizen to address their own needs. Hence, the five principles all align around intervention in moderation, creating

82   Mark Smith, The Liberated Method - Rethinking Public Service, Changing Futures Northumbria, 2023. Available at: www.changingfuturesnorthumbria.co.uk/rethinking-public-service
83   Mark Smith, The Liberated Method - Rethinking Public Service, Changing Futures Northumbria, 2023. Available at: www.changingfuturesnorthumbria.co.uk/rethinking-public-service
84   Aberdeen City Council, Family Support Model Development Plan, 2024. Available at: https://committees.aberdeencity.gov.uk/documents/s159026/Family%20Support%20Model%20Plan%20Final.pdf
85   Mark Smith, The Liberated Method - Rethinking Public Service, Changing Futures Northumbria, 2023. Available at: www.changingfuturesnorthumbria.co.uk/rethinking-public-service
86   Mark Smith, The Liberated Method - Rethinking Public Service, Changing Futures Northumbria, 2023. Available at: www.changingfuturesnorthumbria.co.uk/rethinking-public-service

the conditions for citizens to be empowered, encouraging positive choices and providing a platform for the citizen. Eventually but not necessarily linearly, the public service support base enables the citizen to become more independent and to support themselves; thus the external support becomes less necessary and services are gradually removed.[87]

Mark Smith, the Director of Public Service Reform at Gateshead Council, explains their rationale for this approach:

> *"By doing this, we are able to set out a more realistic and effective role for public services, i.e., to actively create the conditions most likely to enable people to access their internal, intrinsic capacity to thrive."*[88]

The Liberated Method's core operational principle involves a holistic, flexible approach wherein caseworkers have the autonomy to provide resources that help overcome immediate obstacles - whether arranging transport or supplying everyday essentials. While all expenditure must be within the 'PLAN' guidelines (Proportionate, Legal, Auditable, and Necessary), it does not require managerial pre-authorisation as caseworkers are trusted to make the right decisions in each case according to their existing knowledge, experience and intrinsic motivation.[89] This ensures that public funds are used effectively while remaining adaptable to each individual's situation and also emphasises reducing long-term dependence on high-cost services by encouraging people to reconnect with their communities and rebuild personal capacities.

The caseworker works at every stage of the citizens' progression - from addressing their immediate needs, to developing independence, to finally moving on from the support base and becoming fully autonomous. For each citizen, in each context and at each stage, different types of services are most effective; the caseworker is not bound by top-down managerialism and can progress the citizen to the most appropriate services as they see fit. Working with the same caseworker over an extended period of time is emblematic of the relational nature of Gateshead's Liberated Method model.

The connection between individuals (citizen and caseworker) can be much more impactful than the less relational; information transfer between people who trust and know each other is far smoother than between communication channels within and between various arms of government.

The implementation of the Liberated Method in Gateshead involves rethinking how caseworkers interact with citizens. Unlike conventional, eligibility-bound frameworks of service delivery, this method starts with an individual context and builds outward; rather than tightly controlling workers through monitoring, metrics, indices, targets and incentives - moulding service delivery according to the existing paradigm of extrinsic motivation - workers are 'liberated' and the delivery of services develops organically based on citizen need and worker experience. As a result, for citizens who have been engaged through Gateshead Council's Liberated Method, around 70% have had "demonstrably positive upturns in their lives after periods of decreasing stability and even crisis".[90]

87   https://demos.co.uk/wp-content/uploads/2024/05/Taskforce-Vision-Paper_May.pdf
88   Mark Smith, The Liberated Method - Rethinking Public Service, Changing Futures Northumbria, 2023. Available at: www.changingfuturesnorthumbria.co.uk/rethinking-public-service
89   Mark Smith, The Liberated Method - Rethinking Public Service, Changing Futures Northumbria, 2023. Available at: www.changingfuturesnorthumbria.co.uk/rethinking-public-service
90   Mark Smith, The Liberated Method - Rethinking Public Service, Changing Futures Northumbria, 2023. Available at: www.changingfuturesnorthumbria.co.uk/rethinking-public-service

Liberate professionals to improve job satisfaction

Greater professional freedoms for workers should also help pragmatically address the public service workforce crisis. We have seen in the previous chapter that the vacancy crisis in the public services workforce is perhaps the greatest challenge facing our public services today. Any new approach to the management of the public service workforce must respond to this. There is good evidence to suggest that more freedom for professionals won't just deliver better public services - through the unlocking of 'intrinsic motivation' and greater innovation - but also aid retention by boosting morale and job satisfaction.

...and new duties

We have seen the case for new rights and freedoms for public service workers; to unlock innovation, motivate the workforce and improve job satisfaction. But what of new duties, the other side of the ledger?

This is essential at a time when scandals and failings have rocked the faith of the public in the public sector. The Infected Blood Inquiry, for example, acknowledged the collective and systemic failings, but also identified failings by public service professionals, including doctors. In a statement published alongside the Inquiry's final report, Brian Langstaff - the chair of the Inquiry - claimed:

> *"This disaster was not an accident. People put their faith in doctors and in the government to keep them safe and their trust was betrayed […] The NHS and successive governments compounded the agony by refusing to accept that wrong had been done."*[91]

This led to the Inquiry's final report calling a new 'duty of candour' for the public sector, as have other major public inquiries recently, including the Hillsborough Inquiry.[92] Indeed, the new Labour government confirmed in the 2024 King's Speech that it will introduce a 'Hillsborough Law' to Parliament, which will include a 'duty of candour'.

What other duties might be appropriate to consider introducing? Throughout the Taskforce we have argued for greater join-up and collaboration between public services. One major barrier to this is often professional boundaries and some different professionals' inability or unwillingness. Given this, there may be a case for a 'duty to collaborate' for public service workers.

We have also argued throughout for greater citizen shaping of public services. Co-production, in which recipients of services actively shape the services they receive, is a powerful tool for delivering more strengths-based, person-centred services. Again, we should consider whether a 'duty to co-produce' may be useful for public service workers, a question we will explore in more detail in the Taskforce's next discussion paper.

91   https://lordslibrary.parliament.uk/infected-blood-scandal-background-impacts-interim-compensation-and-inquiry-outcomes/#heading-9
92   https://lordslibrary.parliament.uk/infected-blood-scandal-background-impacts-interim-compensation-and-inquiry-outcomes/#heading-9

A NEW RESPECT AGENDA?

How might we bring together these two notions - of new rights and duties? We think there might be something in the notion of a 'respect agenda', which politicians and think tanks, including Demos, have discussed.

The nascent 'respect agenda' has its roots in developments in political theory and specifically egalitarian political theory, which concerns questions of equality. Traditionally, egalitarians have focused on resources – who has what – or rights – who is granted what. Relational egalitarianism, grounded in the work of philosopher Elizabeth Anderson, is instead concerned with how people relate to one another. Relational inequality exists when there is a 'respect gap'; one group or individuals look down on others, failing to treat them with the respect they deserve.

Respect has great relevance to thinking about the public service workforce. A more liberated approach to the workforce would involve greater respect for professionals to make the right decision and experiment, given their position as the expert at the frontline. It might also involve better respect for the contribution of public service workers, through financial and non-financial means.

But it's also about asking more from workers: to better respect the recipients of public services and what citizens want. Crucially, respect is a two-way street; while we believe that strengthening and empowering the workforce has to be put at the centre of a new reform agenda, we are not naive about some of the major failings we have seen in public sector workforces.

CHAPTER THREE
POLICY OPTIONS - DELIVERING A 'RESPECT AGENDA' FOR PUBLIC SERVICE WORKERS

In this chapter we consider how central government can begin to deliver a 'respect agenda' for the public service workforce. Our policy options are centred on three themes:

- Financial and non-financial recognition.

- Workforce investment and training.

- New institutions to support strategic workforce planning in central government.

FINANCIAL AND NON-FINANCIAL RECOGNITION

Policy mechanisms to support higher pay for public service workers

We are encouraged by the new government's awarding of significant pay rises to public sector workers, including a 22% pay rise for junior doctors. This should begin to address the retention challenges seen in public services and boost the recognition that public service workers feel. It is also worth considering what can be done to raise public sector pay over the long-term and to put rises on a more sustainable footing. We recommend that:

> **Policy Option One:** The government considers mechanisms to support a more stable, long-term approach to public sector pay, including a 'Public Sector Pay Roadmap'. Inspired by the government's Corporate Tax Roadmap, first published in 2010, this would seek to give certainty and stability to the future direction of public sector pay.

RESPECT CHARTER

A charter is a document that conveys certain rights or duties to groups of people or institutions. Charters have been used domestically and internationally to codify a set of expectations in relation to public services. For example, John Major's 1991 'Citizen's Charter' sought to cast the citizen as a consumer of public services, forging a new relationship between the state and citizens.

We think there is a strong case for a new, cross-cutting charter for public servants, spanning all public services. This charter would enshrine the autonomy of public sector workers and also set out new responsibilities (while protecting professional freedoms). Hence the term 'respect charter'; respect is a two way street. This could include a new 'duty of candour', which has been proposed in response to recent failings in the public sector. We therefore recommend that:

> **Policy Option Two:** The government should publish a 'Respect Charter', detailing the new rights and duties expected of public service workers. This should include proposals for a 'duty of candour'. It could also include, subject to further investigation, a 'duty to collaborate' with other public services and a 'duty to co-produce' public services with the public.

CASE STUDY
RETENTION OF SOCIAL WORKERS, WIGAN COUNCIL[93]

It is apparent that there is a workforce crisis in the public sector: low recruitment and low retention creating unsustainable vacancies. This is reflected across public services, with social work being amongst the most affected. As of September 2023, the DfE's most recently published workforce figures show that, for full-time equivalent children social work posts, 18.9% are vacant, 17.8% are occupied by agency staff and the turnover rate is 15.9%.[94] The report paints a bleak picture of the future of this sector, stating that: "high staff turnover and vacancies drive instability for children and families, costly agency use and worsening social worker working conditions"; we can "expect an increasing shortfall of child and family social workers compared to demand over the next decade".[95] Serious action is necessary to address this chronic problem in social work.

Submitting evidence to The House of Lords Select Committee on Public Services, Wigan Council expressed that "in March 2020 like many other local authorities, we knew the numbers of staff leaving Children's Services had increased and recruiting into the vacancies we had was a challenge. We needed to do something differently".[96] Indeed, Wigan Council 'did something differently' and sought to mitigate these recruitment challenges through a new organisational strategy.

93   https://committees.parliament.uk/writtenevidence/106715/html/
94   Mithran Samuel, Councils employing record number of children's social workers on back of 25% recruitment boost, Community Care, 2024. Available at: www.communitycare.co.uk/2024/02/29/councils-employing-record-numbers-of-childrens-social-workers-on-back-of-25-recruitment-boost/
95   Department for Education, Consolidated annual report and accounts, 2024. Available at: https://assets.publishing.service.gov.uk/media/66a78085ce1fd0da7b592e80/DfE_consolidated_annual_report_and_accounts_2023_to_2024_-_web-optimised_version.pdf
96   House of Lords Public Services Committee, Wigan Council – Written evidence (FFF0035), 2022. Available at: https://committees.parliament.uk/writtenevidence/106715/html/

Aiming to foster a more attractive environment for social workers, Wigan Council focussed on staff wellbeing and morale, supporting their workforce and building a positive and cohesive culture.[97] They started this transformation by consulting their frontline staff, citizens, service-users and partners to identify priorities and to inform the co-design of their new strategy that combines flexible working - condensed hours, hybrid working, part time availability and making it easier for staff to transfer between different teams; with a new approach to management supervision that involves holding a blend of one-to-one and group meetings with management and placing greater emphasis on identifying strengths and weaknesses and fostering professional development; as well as introducing an Academy Team that is specifically dedicated to easing the joining process for new starters and to support newly qualified social workers through various employment pathways, helping them to deliver the best service that they can.[98]

To mitigate ailing numbers of new starters, Wigan streamlined the recruitment process for social workers, introducing fast-track interviews, simplifying the application form and hosting events where potential candidates can meet current social workers and managers.[99,100] Once applicants have passed through the recruitment process, their induction programme is designed to make onboarding as smooth as possible, to "nurture and develop" new starters and to transform the "candidate experience".[101]

All new members of staff are provided with a welcome pack before they begin their first day on the job, they then meet the Director and other staff members, attend sessions on wellbeing and learn about the Council's structure and who they can work with internally and externally to support their work.[102] Additionally, newly qualified social workers attend monthly ASYE (Assessed and Supported Year in Employment) workshops, ASYE skills sessions and reflective supervision sessions.[103] This emphasis on fostering a supportive and welcoming environment for new joiners is positively received by the staff, with one saying: "my induction has been brilliant…the welcome pack made me feel valued before I walked through the door".[104]

Post-induction, Wigan Council continue to make specific efforts to ensure that their social workers feel valued, supported, trusted and listened to. Feedback forums are held every 6 weeks where frontline workers provide information and views on how they are feeling about their work and what changes they would like to see, which are then fed into the directors.[105] In day-to-day work, there is an open and productive relationship between management, directors and frontline workers, with one social work practitioner saying that,

97   House of Lords Public Services Committee, Wigan Council – Written evidence (FFF0035), 2022. Available at: https://committees.parliament. uk/writtenevidence/106715/html/

98   House of Lords Public Services Committee, Wigan Council – Written evidence (FFF0035), 2022. Available at: https://committees.parliament. uk/writtenevidence/106715/html/

99   House of Lords Public Services Committee, Fit for the future? Rethinking the public services workforce, Chapter 4: Recruiting people, 2022, Available at: https://publications.parliament.uk/pa/ld5803/ldselect/pubserv/48/4807.htm

100   Wigan Council, Wigan Council Recruitment Event: Children and Families Social Workers, Eventbrite, 2024. Available at: www.eventbrite. co.uk/e/wigan-council-recruitment-event-children-and-families-social-workers-tickets-862391244427

101   House of Lords Public Services Committee, Fit for the future? Rethinking the public services workforce, Chapter 4: Recruiting people, 2022, Available at: https://publications.parliament.uk/pa/ld5803/ldselect/pubserv/48/4807.htm

102   House of Lords Public Services Committee, Wigan Council – Written evidence (FFF0035), 2022. Available at: https://committees. parliament.uk/writtenevidence/106715/html/

103   Wigan Council, Support for newly qualified social workers. Available at: www.wigan.gov.uk/Business/Professionals/Social-Work-Academy/ Support-for-staff/Newly-qualified-social-workers.aspx

104   House of Lords Public Services Committee, Wigan Council – Written evidence (FFF0035), 2022. Available at: https://committees. parliament.uk/writtenevidence/106715/html/

105   Community Care, 'This feels different: you can do really good social work because of what surrounds you', 2021. Available at: www. communitycare.co.uk/2021/05/17/this-feels-different-you-can-do-really-good-social-work-because-of-what-surrounds-you-ezc/

in her experience, "managers are very approachable and friendly. You don't feel it's 'them and us'. They genuinely do want to help you find a solution for yourself and the people you are working with. There's a real sense that we're all on the same side. You don't always get that."[106]

The impact of Wigan's approach is the sustained nurturing of a healthy working environment for social workers, where staff feel valued and there is a cohesive and constructive culture. Recent staff satisfaction surveys record extraordinary numbers: 96% of staff say that they enjoy working for Wigan Council, 97% of staff would recommend Wigan Council as a place to work and 80% say that they are always proud to work for Wigan Council.[107] Empirically, this has led to emphatic improvements in workforce numbers: while the numbers of agency staff in social work has increased across the whole of England every year since 2017, Wigan bucks the trend; as of January 2022, their use of social work agency staff had fallen by around 21.9% from its peak.[108,109] In February 2022, Wigan Council reported a 55% reduction in social worker turnover in a 21 month period.[110] This is remarkable given that, across England, the social worker turnover rate has been increasing over the same period.[111,112,113]

This again demonstrates how Wigan's model outperforms the national standard and is leading the way on effective approaches to improving retention and recruitment. Community Care, a long-standing stakeholder in the social work sector said that they "are really impressed with Wigan's approach" and that "everyone is asking what Wigan is doing to recruit and retain staff".[114]

GREATER TRAINING AND WORKFORCE INVESTMENT

Moving to a more liberated model of managing public sector workers is going to require higher quality workers. Giving professionals more freedom, without asking for an upskilling in return, could lead to the risk of malpractice. As a result, we must boost investment in the public service workforce. Of course, not all investment is good investment; this money must be spent wisely and soundly.

While pay rises are important, once public sector pay has been restored to a suitable level, we should seek to link higher day-to-day spending on public services with greater investment in training and workforce development. This is the only way to unlock higher productivity for

106   Community Care, 'This feels different: you can do really good social work because of what surrounds you', 2021. Available at: www.communitycare.co.uk/2021/05/17/this-feels-different-you-can-do-really-good-social-work-because-of-what-surrounds-you-ezc/
107   House of Lords Public Services Committee, Wigan Council – Written evidence (FFF0035), 2022. Available at: https://committees.parliament.uk/writtenevidence/106715/html/
108   Department for Education, Reporting year 2023 - Children's social work workforce, 2024. Available at: https://explore-education-statistics.service.gov.uk/find-statistics/children-s-social-work-workforce#releaseHeadlines-summary
109   House of Lords Public Services Committee, Wigan Council – Written evidence (FFF0035), 2022. Available at: https://committees.parliament.uk/writtenevidence/106715/html/
110   House of Lords Public Services Committee, Wigan Council – Written evidence (FFF0035), 2022. Available at: https://committees.parliament.uk/writtenevidence/106715/html/
111   Department for Education, Reporting year 2021 - Children's social work workforce, 2022. Available at: https://explore-education-statistics.service.gov.uk/find-statistics/children-s-social-work-workforce/2021
112   Skills for Care, Headline social worker information, 2023. Available at: www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/documents/Social-Worker-headline-Feb2023-FINAL.pdf
113   Aaron Kulakiewicz et al., Children's social care workforce, House of Commons Library, 2022. Available at: https://commonslibrary.parliament.uk/research-briefings/cdp-2022-0142/
114   House of Lords Public Services Committee, Wigan Council – Written evidence (FFF0035), 2022. Available at: https://committees.parliament.uk/writtenevidence/106715/html/

the public sector; crucial when public sector productivity has recently stalled or fallen.[115] As the Hewitt Review recommended 1% spending on prevention, we could set a similar target for training and investment in public sector workforces. We therefore recommend that:

Policy Option Three: The government should set a 'Workforce Development Target' - an objective for spending on public sector workforce investment and training, as a proportion of overall public sector spending.

A longer term ambition may be to try to address the longstanding penalty given to human capital investment in the UK's fiscal rules. Investment in roads and railways is treated as capital investment in the UK government's fiscal rules and therefore receives favourable treatment over day-to-day spending. But human capital investment is not treated in a similarly favourable fashion. Given this barrier, we should consider what can be done to address this. However, we are aware there may be major classification challenges here, hence the importance of the government conducting an initial review in this area. We therefore recommend that:

Policy Option Four: The government should commission an independent review into the feasibility of treating human capital investment in the same manner as physical capital investment.

NEW INSTITUTIONS TO SUPPORT STRATEGIC WORKFORCE PLANNING IN CENTRAL GOVERNMENT

We agree with the House of Lords Public Services Committee that greater strategic capacity is needed in relation to the public sector workforce. The Committee argues in a 2022 report that:

"Given the long-term demographic challenges and the likelihood of persistent difficulties in recruiting sufficient staff, long-term thinking and strategic approaches to workforce planning are required."[116]

Crucially, this demands a joined-up approach between different public services. Given the demographic pressures the UK faces, with an ageing population and political pressure to reduce immigration, it's especially important that public sector agencies consider things in the round. We do not want different parts of the public sector unhelpfully competing with one another; we need to prioritise in terms of what we think are the most important gaps to be filled. This is especially true given the tightness of the UK labour market today.

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115   https://ifs.org.uk/publications/fiscal-implications-public-service-productivity
116   https://publications.parliament.uk/pa/ld5803/ldselect/pubserv/48/4805.htm

CASE STUDY
SPIRIT OF SERVICE, NEW ZEALAND PUBLIC SERVICE COMMISSION

New Zealand's bureaucratic model has undergone a similar evolution to the UK by bringing in New Public Management (NPM) reforms during the 1990s, focusing on metrics, targets and extrinsic motivation of public service workers.[117] As put by Jonathan Boston, these reforms involved greater "commercialisation, corporatisation and privatisation; the devolution of management responsibilities; a shift from input controls to output and outcome measures; tighter performance specification; and more extensive contracting out". All of these assertions are equally applicable to the British experience of NPM in the public sector, making New Zealand a valuable case study.

The emergence of NPM as the dominant paradigm came as governments (such as in the UK and New Zealand) sought to mirror the efficiencies of the private sector by remodelling the public sector in its image, instilling competition and incentive structures for public servants under the assumption that they are driven by the pursuit of performance-based rewards and that their interests are not necessarily aligned with the public good.[118] The existing scholastic literature offers a variety of motivational models for public service employees. Weber conceptualises public servants to be deferential and loyal to the wider bureaucratic order, motivated purely by 'rational' considerations and not by ethereal notions such as the spirit of service.[119] While the Niskanenian bureaucrat is motivated by maximising their departmental budgets and imposing their individual preferences.[120] At the heart of NPM is the aim to recalibrate misaligned incentives for public servants.

It has become increasingly clear that the NPM agenda has not led to more efficient or effective public services. Competitive markets have struggled to materialise, targets have proved to be gameable and cross-governmental approaches to complex and structural challenges are impeded by the entrenchment of delivery siloes; incentives do not promote collaboration across government bodies; this has led to more reactive, not preventative, services.[121,122]

It has also been argued by many that public sector workers are intrinsically motivated by a desire to play their part in the functioning of a healthy society; that they have an altruistic drive to serve their community and fellow citizens in the name of "public

117   Simon Parker and Duncan O'Leary, Re-imagining Government, Demos, 2006. Available at: https://demos.co.uk/wp-content/uploads/files/Re-imagining%20-%20web%20.pdf
118   Christopher Hood, A Public Management for All Seasons?, Public Administration, 1991. Available at: https://newdoc.nccu.edu.tw/teasyllabus/110041265941/hood%
119   Anthony Downs, A Theory of Bureaucracy, 1964. Available at: www.rand.org/content/dam/rand/pubs/papers/2008/P3031.pdf
120   Albert Breton and Ronald Wintrobe, The Equilibrium Size of a Budget-maximizing Bureau: A Note on Niskanen's Theory of Bureaucracy, Journal of Political Economy, 1975. Available at: www.jstor.org/stable/1833280#:~:text=2%20Niskanen's%20model%20rests%20on,on%20the%20governing%20political%20party.
121   Ben Glover, Liberated Public Services, Demos, 2024. Available at: https://demos.co.uk/wp-content/uploads/2024/05/Taskforce-Vision-Paper_May.pdf
122   Polly Curtis, Ben Glover and Andrew O'Brien, The Preventative State, Demos, 2023. Available at: https://demos.co.uk/wp-content/uploads/2023/04/the-preventative-state.pdf

morality".[123] In outlining their approach to post-NPM public service reform, Hannah Cameron, Deputy Commissioner of New Zealand's Public Service Commission (Te Kawa Mataaho), posits that "[this] is what makes the public service different from private institutions in some ways. What people are motivated by in the public service is a sense of giving back to their community, whether it be to their local community or to their nation".[124] Intuitively and anecdotally, we know that public sector staff have this internal drive to provide quality services to people who need them. We all have personal experience of teachers, doctors, nurses, police officers and care assistants who demonstrate commitment to service beyond what incentive structures could produce.

Hence, pivoting away from the orthodox paradigms and towards a model of more intrinsic motivation, New Zealand's Public Service Act 2020 enshrines the concept of a "spirit of service to community

1. The fundamental characteristic of the public service is acting with a spirit of service to the community.

2. Public service leaders, interdepartmental executive boards, boards of interdepartmental ventures, and boards of Crown agents must preserve, protect, and nurture the spirit of service to the community that public service employees bring to their work."[125]

The intention is to promote the foundational principles of public service across government, to foster greater respect and trust between citizens and public servants, embed a greater confidence in institutions and to facilitate greater cross-agency work on the basis of common values and culture.[126] This is a distinct conceptual and practical departure from the "dehumanized" Weberian public servant who "does not establish a relationship to a person … but rather is devoted to impersonal and functional purposes."[127,128] Moreover, it rejects NPM's working assumption that public services function best when their incentive mechanisms resemble private enterprise.

In New Zealand, rather than extrinsically motivating public sector workers, or considering them to be cogs in a larger machine, they are now building public sector structures on the basis of nurturing this inherent capacity and motivation for public service.

> *"leaders do not give [the spirit of service] to public servants; they come into their role with it … it is really important that we continue to respect, look for and celebrate that, because that gives the underlying motivation" (Hannah Cameron).[129]*

123   Tse-Min Wang, Arjen van Witteloostuijn and Florian Heine, A Moral Theory of Public Service Motivation, Frontiers, 2020. Available at: www.frontiersin.org/journals/psychology/articles/10.3389/fpsyg.2020.517763/full

124   House of Lords Public Services Committee, Corrected oral evidence, Evidence Session No. 9, Q71, 2022. Available at: https://committees.parliament.uk/oralevidence/10093/html/

125   New Zealand Parliamentary Counsel Office, Public Service Act 2020, Available at: www.legislation.govt.nz/act/public/2020/0040/latest/LMS356872.html

126   House of Lords Public Services Committee, Corrected oral evidence, Evidence Session No. 9, Q71, 2022. Available at: https://committees.parliament.uk/oralevidence/10093/html/

127   Hans Gerth and C. Wright Mills, From Max Weber: Essays in Sociology, Chapter 13. Bureaucracy, 1948. Available at: www.taylorfrancis.com/chapters/mono/10.4324/9780203759240-13/bureaucracy-gerth-wright-mills

128   Max Weber, Economy and Society: An Outline of Interpretive Sociology (Vol. 1), 1968. Available at: www.scirp.org/reference/referencespapers?referenceid=1256019

129   House of Lords Public Services Committee, Corrected oral evidence, Evidence Session No. 9, Q71, 2022. Available at: https://committees.parliament.uk/oralevidence/10093/html/

The underlying principles of public service - trust, integrity and confidence in institutions - is reinforced by individual experiences and human interactions. As set out legislatively, senior members of staff at public sector bodies are then held responsible for supporting this spirit of service staff and for harnessing their intrinsic motivation.[130]

Another benefit of this has been the promotion of work across government departments and bodies. While NPM naturally divides government agencies into competing groups with often incongruous incentives according to their service area, instilling a common culture and a collective conception of service in terms of wider societal betterment - rather than fulfilling prescriptive targets - is a powerful unifying force for cross-agency work. While NPM sought to bring private sector efficiencies into the public sector, in many ways, it lost sight of the purpose of public service. New Zealand's reforms offer a trailblazing example of how the UK sector can move on to a post-NPM paradigm that harnesses the Spirit of Service.

Yet public sector workforce planning is not done in a joined-up fashion. It is splintered by different functions or elements of workforce planning. For example, Migration Advisory Committee, Pay Review Bodies etc.It is also splintered by public service, reflecting central government departmental silos. For example, workforce planning for NHS led by DHSC/NHS England; adult social care workforce planning led by MHCLG; teacher workforce planning led by DfE; with little join-up or coordination between departments.

Given these challenges, there is a strong case for a new institution to bring together these different functions and consider things in the round; a 'Public Service Workforce Commission' (see Table Three for further details). This is Inspired by the National Infrastructure Commission, an Executive Agency established in 2015. The NIC makes recommendations to the government and monitors the progress that the government makes on infrastructure. It could also seek to benchmark us against best practice internationally, where lots of innovation happens but from which we don't seem to learn. We therefore recommend that:

Policy Option Five: The government establishes a Public Service Workforce Commission, a new unit housed in the Cabinet Office to provide independent public sector workforce forecasts, alongside research and advice on relevant policy areas (e.g. immigration, training, skills, public sector pay etc). The Commission would work closely with wider government departments, who would remain sources of subject matter expertise and specialist knowledge, but it would seek to build a distinctively cross-service picture of workforce challenges, something hard to achieve outside the centre of government.

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130   House of Lords Public Services Committee, Corrected oral evidence, Evidence Session No. 9, Q71, 2022. Available at: https://committees.parliament.uk/oralevidence/10093/html/

TABLE 4
PROPOSED 'PUBLIC SERVICE WORKFORCE COMMISSION'

PURPOSE	To ensure the government takes a more long-term, joined-up, in terms of function and public service, approach to workforce planning.
FORM	Cabinet Office Unit.
FUNCTIONS	Independent workforce forecasts. Provide policy advice on relevant areas (immigration, training, skills, pay, labour market/employment rights)

Source: Author's analysis

CONCLUSION

Public services cannot get back on track without a workforce recovery. Of the many crises facing public services today, the workforce is probably the most pressing.

The government's early decisions on public sector pay are a crucial step in the right direction and will help gain goodwill and support for any reform agenda. But higher pay alone is insufficient; we should be seeking to resolve the workforce crisis not only with a 'problem solving' mindset but also a 'how does this support a renewal of public services?' mindset.

Professionals are at the heart of 'liberated public services' and any professional liberation will be impossible without better trained workers, better paid workers. But we must also transform the relationship between citizens and professionals, as we will explore in the Taskforce's next Discussion Paper.

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