

public service reform 2006-2010

Edited by Andrew Haldenby

REFORM



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Preface

Wilf Stevenson, Director, Smith Institute

The Smith Institute is an independent think tank, which has been set up to undertake research and education in issues that flow from the changing relationship between social values and economic imperatives. In recent years the institute has centred its work on the policy implications arising from the interactions of equality, enterprise and equity.

Looking to 2010, the trends of policy in the key public services are already in place. Change programmes in health, education and policing are due to complete in 2008 or shortly after, and the Chancellor has already announced the period's public spending envelope, including a falling public spending-to-GDP ratio from 2007/08. In these circumstances, reformed, more efficient methods of delivery will become increasingly central to the government's strategy for improving Britain's public services.

As part of our on-going work around the notion of the progressive consensus, the Smith Institute is pleased to be publishing this collection of essays in which authors from the free-market think tank *Reform* argue that the current policy outlook will not be sufficient to solve the public sector's problems of performance and productivity before the next general election. Starting from the premises that successful NHS reform is very far from certain; that the Department for Education & Skills' reforms are too limited; and that the proposed changes to the police service raise new problems of their own, the authors make a strong case that a much more extensive rate and range of policy improvement is now needed, and they put forward constructive proposals for how this might be achieved, which they feel would command popular support across the political spectrum.

Chapter 1

Healthcare to 2010 – making reform work

Professor Nick Bosanquet, Professor of Health Policy at Imperial College London, and Henry de Zoete, Health Researcher at *Reform*

Healthcare to 2010 – making reform work

Challenges to 2010

A review of the challenges for the national health service for the next five years reveals very pressing issues of both performance and productivity. While some areas of the service – notably those where the reform themes of choice and competition have already been introduced – have improved, there remain very wide disparities in performance between income groups, uneven performance between different areas of treatment, falling productivity and an extremely tight financial position from 2008 onwards.

Given expected increases in funding, the service can expect to spend well over £400 billion in this period. This increase represents a once and for all opportunity to develop a truly patient-led service with more choice, a greater pluralism of providers and a service with enhanced care closer to home. Given the rising pressures in other areas, it is unlikely that such an opportunity will recur for a very long time.

Inequity of provision

Since the government's second term, ministers have argued that the variation in performance between different income groups is a major reason for NHS reform.¹ For example:

- Life expectancy varies massively across the country and in recent years the gap has actually worsened. Between 1997-99 and 2001-03, the relative gap between life expectancy in England as a whole and in the lowest fifth of local authorities increased by 2% for males and 5% for females.²
- On average, cancers are diagnosed at a later stage in patients living in poorer areas.
- Following a heart attack, intervention rates of coronary artery bypass grafts or angiography are 30% lower in the lowest socioeconomic groups than in the highest.³
- Hip replacement rates were 20% lower among lower socioeconomic groups, despite roughly 30% higher need.⁴
- Social classes IV and V had 10% fewer preventive consultations than social classes I and II after standardising for other determinants.⁵

1 "The truth is, the 50-year-old one-size-fits-all NHS hasn't succeeded in reducing health inequalities. Uniformity in provision has not guaranteed equality of outcome," Alan Milburn, speech to the Faculty of Public Health Medicine (20 November 2002): "The 1945 model, for all its strengths, was not the answer to inequality ... Our supposedly uniform public services were deeply unequal, as league and performance tables in the NHS and schools have graphically exposed," Tony Blair, Fabian Society annual lecture (17 June 2003).

2 *Tackling Health Inequalities: Status Report on the Programme for Action* (Department of Health, 2005).

3 Le Grand, J "Inequality, Choice and Public Services" in Giddens, A and Diamond, P (eds) *The New Egalitarianism* (2005).

4 Ibid.

5 Le Grand, J *The Blair Legacy? Choice & Competition in Public Services*, London School of Economics public lecture (Feb 2006).

Reducing inequity should be a major goal of policy towards 2010. The department's latest white paper noted:

There are persistent and particular problems in deprived areas which have long been underserved. We intend to increase provision in areas that are not well served – which are typically the most needy areas – to increase the equity of provision and to ensure that everyone has a real choice.⁶

Uneven performance

Large increases in spending in recent years have led to some improvements in the service, such as the elimination of the longest waits. However, waiting lists are still unacceptably long and on one measure average waits have actually increased. Improvement has also tended to come in narrow, high-profile areas of political importance and pressure, while other clinical areas have been neglected.

For example, the average waiting time for a hearing aid on the NHS has increased to nearly a year and there are wide variations across the country; in Birmingham the wait can be as long as three years. The National Audit Office has shown that only half of patients receive the vital treatments and therapies after a stroke that are needed to make a full recovery.⁷

Radiotherapy is another area of the service that needs improvement. Writing earlier this year, Dr David Dodwell and Dr Adrian Crellin, cancer specialists at Cookridge Hospital, Leeds, argued that cancer patients still face unacceptably long waits – up to 18 weeks in some places – for radiotherapy, which is endangering patients' lives. The authors wrote that "radiotherapy services in Britain are inferior to those in most developed countries and indeed in many poorer countries."⁸

The latest audit of radiotherapy waiting times from the Royal College of Radiologists found: "Waiting times for radiotherapy remain unacceptable, with 53% of radical patients and 57% of adjuvant patients waiting longer than four weeks from decision to treat." The college first carried out its surveys in 1997 and 2003. Performance has improved since 2003, but is still below that of 1997.⁹

⁶ *Our Health, Our Care, Our Say* (DoH, 2006).

⁷ *NHS Waiting Times – The BSHAA Survey* (British Society of Hearing Aid Audiologists, September 2005); *Reducing Brain Damage: Faster Access to Better Stroke Care* (National Audit Office, 2005).

⁸ "Waiting for Radiotherapy" in *British Medical Journal* (January 2006), pp107-109.

⁹ Summers, E and Williams, M *Re-audit of Radiotherapy Waiting Times* (Royal College of Radiologists, 21 February, 2006).

Falling productivity

The productivity of the NHS has been controversial. The Office for National Statistics has produced a range of estimates showing both falling and rising productivity, depending on estimates of quality of treatment and health gain to the whole population. Other organisations, however, have shown that productivity has fallen. In its latest annual review of the UK economy, the Organisation for Economic Co-operation & Development showed that the NHS budget increased 50% between 1999 and 2004, but the number of doctors increased by only 25%. Premature deaths from cancer and heart/circulatory diseases have continued to decline, but no faster than during the 1990s before the spending increases started.¹⁰

Department of Health statistics show a much slower increase in the overall number of operations ("finished consultant episodes") than in the number of consultants or the level of spending.

Figure 1: Falling NHS productivity

	1999/2000	2004/05	Percentage increase
Real terms spending, 2005/06 prices	£46.2 billion	£71.4 billion	55
Consultants	23,300	30,700	32
Finished consultant episodes	12.2 million	13.7 million	12

Sources: Department of Health workforce statistics; hospital episode statistics, NHS Health & Social Care Information Centre; *Public Expenditure on Health & Personal Social Services*, memorandum to the House of Commons health select committee (Department of Health, 2005)

NHS spending to slow

NHS spending has increased dramatically since 1999/2000. Between 1999/2000 and 2007/08, it will all but double in real terms.

¹⁰ *Economic Survey 2005 – United Kingdom* (OECD, 2005).

Figure 2: NHS spending increase, 1999/2000 to 2007/08

	Cash spending (£ billion)	Real terms spending (£ billion in 2006/07 prices)
1999/2000	40.2	47.2
2000/01	43.9	50.9
2001/02	49.0	55.4
2002/03	53.9	59.1
2003/04	63.0	67.3
2004/05	69.7	72.9
2005/06	76.4	78.3
2006/07	84.2	84.2
2007/08	92.6	90.2

Source: Evidence to the health select committee, Department of Health (2005)

The profile for public spending is, however, changing after 2008. According to the most recent budget, public spending as a share of GDP will actually fall from 2008 to 2011, following a period in which it has risen by five percentage points in less than a decade. This will have an impact on health spending: during the 2005 general election campaign, the Chancellor said spending would slow down from 7% annual spending increases in real terms to about 4% from 2008.¹¹

This estimate was overoptimistic given the high level of NHS-specific inflation, which is now running at around 4.5% in the secondary sector and 4% in the primary care sector. There is no reason to expect inflation to slow. New staffing contracts are rapidly increasing NHS pay, and continued high spending rates up to 2008 will increase prices even with improvements in purchasing. Local managers generally lack the flexibility to lower cost inputs and expenditure. After allowing for the likely rates of health-specific inflation on a year-by-year basis, it can be assumed that real growth in spending will increase by a more moderate 2% after 2008.

¹¹ “[Derek Wanless] proposed health service spending rising in real terms by more than 7%, far beyond what we had in our public service plans. But he then said after a period in which health service expenditure grows by 7% ... expenditure need not grow as fast. I think he proposed something in the order of 4% a year after 2008” (Gordon Brown, news conference, 4 May 2005).

Figure 3: Real growth in NHS expenditure (%)

2006/07	4.5
2007/08	4.5
2008/09	2.0
2009/10	2.0
2010/11	2.0
Total	15.0

Source: Department of Health and *Reform* estimates

As a result, the total increase in expenditure in real terms will be 15% in the period from 2006/07 to 2010/11, amounting to £11.4 billion. All future spending commitments need to be related to this growth outlook. The next comprehensive spending review will give the funding levels for 2008/09 to 2010/11.

Cost pressures outstrip funding allocation

Despite record levels of funding, the NHS has fallen into financial deficit in both 2004/05 and 2005/06. The answer to this paradox is the increasing costs faced by the service. Looking forward to 2010, we would define the main spending increases as the additional costs arising from private finance initiative schemes, new pay contracts and the longer-term costs of National Institute for Health & Clinical Excellence (NICE) recommendations. There will be particular problems in the first two years after 2008, with the return to spending increases that are closer to the growth rates of GNP.

Private finance initiative

The vast majority of private finance initiative schemes will not be completed until after 2006. Thus the moderate costs now associated with the schemes will escalate in the next five years. Between 2005/06 and 2010/11, expenditure on such schemes will be £11.6 billion.

Prescribing costs

High pressure on prescribing costs has been evident for at least five years. For the next two years there is likely to be a plateau effect on spending as price reductions in effect pay for increased prescribing. Such effects are likely to be short-lived, however, with new and more expensive drugs becoming available all the time, increasing prescribing costs year on year. Considering that fast-track NICE approvals will see new drugs approved

Figure 4: Expenditure on private finance initiative schemes (£ million)

1997/98	58
1998/99	183
1999/00	362
2000/01	595
2001/02	534
2002/03	445
2003/04	527
2004/05	680
2005/06	1,268
2006/07	1,602
2007/08	1,992
2008/09	2,279
2009/10	2,334
2010/11	2,145
2011/12	1,527
2012/13	1,145
2013/14	619
Total	18,295

Source: Department of Health

within two weeks via single technology appraisals, these pressures will rise quickly. A recent high-profile example of this is the furore surrounding the cancer drug Herceptin.

Pay

The new pay deals that are part of the Agenda for Change, the General Medical Services contract and the consultants' contract represent a large funding increase and will take up an increasing amount of resources over the years ahead. The King's Fund has recently expressed concern over the value of the consultants' contract and whether it has led to increased productivity.¹² Other cost commitments facing the NHS include the new pharmacy contract, NHS Connect and spending on the independent sector.

Efficiency gains insufficient

The government argues that efficiency gains from the Gershon report on public-sector

12 *Assessing the New NHS Consultant Contract: A Something for Something Deal?* (King's Fund, May 2006).

efficiency will lead to savings of £6.5 billion by 2007/08, of which half is expected to be cashable.¹³ These savings come in the following areas:

- Achieve a total reduction of just over 720 civil service posts, reduce the staffing of arms-length bodies by at least 5,000, and be on course to relocate 1,110 posts out of London and the South East by 2010;
- Make better use of staff time (accounting for up to half of efficiencies), for example through the implementation of a modern ICT infrastructure for the NHS. Electronic patient records, appointment booking and prescription transfer will mean less wasted time checking patient information, fewer letters to type and send, and no lost prescriptions.
- Make better use of NHS buying power at a national level to get better value for money in the procurement of healthcare, facilities management and medical supplies.
- Ensure NHS organisations, particularly in primary care, can share and rationalise back office services, such as finance, ICT and human resources, where possible.
- Improve commissioning of social care to generate about 10% of efficiencies.

Some of these gains are vague and hypothetical, especially those relating to efficiencies from the use of information and communications technology in the NHS. The likelihood that they will be met is unsure, while the actual amount of resources that will be saved is not particularly large over a fairly long period of time.

A tight financial environment

Using Department of Health data, in December 2005 *Reform* authors estimated that the total of cost commitments would be £13.2 billion up to 2010. In addition there will be costs of extra activity to meet targets – including the 18-week target – and standards in the National Service Frameworks, estimated to be £5 billion.¹⁴

Given that the increase in real spending over the period is likely to be £11.4 billion, the *Reform* authors estimated that there would be a clear resource gap of nearly £7 billion. The result of such a gap would be new forms of postcode rationing, longer waiting lists and falling staff morale. They argued that, simply put, the solution to the resource gap was productivity improvement. This can only be achieved via reforms that introduce competition and drive efficiency.

¹³ *Releasing Resources to the Front Line: Independent Review of Public Sector Efficiency* (HM Treasury, 2004).

¹⁴ Bosanquet, N, de Zoete, H and Beuhler, E *The NHS in 2010: Reform or Bust* (Reform, 2005).

Figure 5: Additional recurrent expenditure by 2010 (£ billion)

Additional revenue/support costs of private finance initiative schemes	0.7
Costs of new general medical services contract	1.9
New pharmacy contract	1.8
Information and communication technology programme	0.5
Additional NHS staffing	5.0
Revenue costs of NHS Connect	1.0
NICE recommendations	0.8
Additional prescribing costs (after allowing for price reductions)	0.5
Additional pensions	1.0
Additional activity	5.0
Total	18.2

Source: Bosanquet, de Zoete and Beuhler, op cit

Figure 6: The resource gap by 2010 (£ billion)

Additional recurrent expenditure	18.2
Real terms funding increase	11.4
Resource gap	6.8

Since the publication of this estimate, the Department of Health has taken some steps to control costs. In particular, it has rightly said that it will review all existing PFI schemes in relation to their affordability:

[Strategic health authorities] have been asked to work with [primary care trusts] and [hospital] trusts to reconfirm their investment plans (including PFI schemes) in light of current reforms to the NHS. This specifically includes choice, movement of services into primary and community settings, and the current and new financial regime. The department will issue guidance on assessing the impact of these reforms on their schemes and on all aspects of affordability. [Strategic health authorities] will need to have their conclusions ratified by the department before proceeding.¹⁵

¹⁵ Departmental Report 2006 (DoH, May 2006).

In its operating framework for 2006/07, the Department of Health estimated that the result of the reappraisal on PFI spending would reduce spending to £7 billion-£9 billion:

Even after completion of this reappraisal, we expect that the NHS will remain the largest single user of PFI in government, with a programme valued at an estimated £7 billion-£9 billion. Furthermore, the investment programme will be on a more sustainable footing, and the delivery of that programme will continue at renewed pace.¹⁶

If successful, these steps will improve the funding outlook to some extent. Nevertheless the NHS budget is tight, and cost pressures will impose severe financial constraint in the coming years. This will be particularly the case after 2008 when funding slows.

Changing policy themes

The themes of government policy have rightly changed in the light of these challenges. The initial focus of policy was on an increase in capacity and resources. The 2000 NHS Plan, for example, listed a dramatic increase in both human and physical resources:

- 7,000 extra beds in hospitals and intermediate care;
- over 100 new hospitals by 2010 and 500 new one-stop primary care centres;
- over 3,000 GP premises modernised and 250 new scanners;
- clean wards – overseen by “modern matrons” – and better hospital food;
- modern IT systems in every hospital and GP surgery;
- 7,500 more consultants and 2,000 more GPs;
- 20,000 extra nurses and 6,500 extra therapists;
- 1,000 more medical school places; and
- childcare support for NHS staff with 100 on-site nurseries.

This was supported by the Wanless report on the future of the NHS, produced by Derek Wanless and accompanying the April 2002 budget. This proposed that health spending should rise from 7.7% of GDP (including private spending) in 2002/03 to 10.3-11% of GDP in 2012/13 and 10.6-12.5% in 2022/23.

At the time, the Chancellor argued that this spending would be accompanied by reform. In an important interview in 2001, he said: “I am going to insist that any additional resources must be matched by reforms so that we get the best value for money. There is

¹⁶ *The NHS in England: The Operating Framework for 2006/07* (DoH, 26 January 2006).

not going to be one penny more until we get the changes.”¹⁷

There is a key distinction between policy approaches based on “reform” and on “funding”. Reform denotes incentives aimed at increasing value from existing spending; funding is about additions to the resources available. Reform seeks to increase productivity from the existing core, while funding makes marginal changes to staffing and capacity.

Funding and reform have often been presented since 2000 as being simultaneous and complementary, but in reality funding has come before reform. The Department of Health’s reform programme only began in earnest with the introduction of the first foundation hospitals in April 2004. It now encompasses foundation hospitals, greater patient choice, “payment by results” (a new internal market to ensure that money follows the patient), practice-based commissioning (which should ensure that more patients are treated outside of hospitals and so less expensively) and greater use of the independent sector in both primary and acute services. The aim is to create a modern, efficient, patient-led service, with more care carried out in the locality near patients.

Speaking recently, Tony Blair described the change in approach:

*What is true, however, is that it is only within the last two to three years that incremental change has given way to what amounts to a revolution in the way the NHS works. The NHS plan we published in the year 2000 – a 10-year plan, it is worth reminding ourselves – set a new direction. We would first build up capacity and introduce new pay and conditions for staff and set strong central targets for improvement. However, the idea was then, over time, to move to a radically different type of service, abandoning the old monolithic NHS and replacing it with one devolved and decentralised with far greater power in the hands of the patient. The idea was and is to make reform self-sustaining; so that instead of relying on the necessarily crude and blunt instruments of centralised performance management and targets, there is fundamental structural change with incentives for the system and those that work within it, to respond to changing patient demand.*¹⁸

¹⁷ Gordon Brown in *The Sun* (30 November 2001).

¹⁸ Speech to the New Health Network, 18 April 2006.

The Prime Minister described this new approach in terms of a market:

The result of all of this is to try to create an NHS where there is not a market, in the sense that consumer choice is based on an individual user's wealth; but where there is the opportunity, on an equal basis, for users to choose and exercise power over the system that provides the service. It signals the move from a "get what you're given" service, where the patient falls into line with what the service decides, to one that is more a "get what you want" service moulded around the decisions of the patient. It rewards the producers well; but insists in return that it is the user that comes first. It mirrors the change from mass production to a customised service in the private sector.¹⁹

He went on to say that the NHS had reached a "crunch point", "where the process of transition from one system to another is taking place". He highlighted five key areas of change:

- foundation hospitals;
- practice-based commissioning;
- payment by results;
- patient choice; and
- new independent providers.

Foundation hospitals

NHS foundation trusts are an attempt to devolve decision making from central government to local organisations and communities so they are more responsive to the needs and wishes of local people. Foundation hospitals give greater freedoms to hospital managers, including greater control over their budgets, staff and buildings. In 2004 the first trust was awarded foundation status and there are now 37 foundation trusts, out of a total of 176 acute trusts.

The government wants all trusts to be able to apply for foundation trust status by 2008. Monitor, the foundation trust regulator, has recently cast doubt on this assertion, warning that fewer than half will be in a viable position to do so. The main reason given was the financial situation most trusts faced, and in particular "the affordability of PFI in a tariff-based system."²⁰

¹⁹ Ibid.

²⁰ "Most NHS Trusts Will Miss Foundation Deadline of 2008" in *Financial Times* (1 June 2006).

Patient choice

At the start of 2006 patients were given the choice of four providers, including one independent sector provider, for elective procedures. This was extended to all foundation trusts and 15 independent sector treatment centres in May 2006. The government aims to give patients unrestrained choice of any provider – NHS, charitable or independent – that meets its required standards at the national tariff price by 2008.

Where choice has been implemented it has dramatically reduced waiting times. A York University study of the London Patient Choice Scheme – the largest patient choice scheme trialled so far – found that waiting times were reduced, not only for patients who exercised a choice but for all patients.²¹ Two-thirds of patients opted to make a choice, and of those who did, 97% said they would recommend it.²²

Surveys have shown that choice of where treatment is carried out is popular among the public. The latest British social attitudes survey found that 63% of those surveyed thought patients should have a great deal or quite a lot of choice of hospital.²³ Support for choice was strongest amongst the least well-off. Of the group of the lowest earners in the survey – less than £10,000 a year – 70% said people should have a great deal or quite a lot of say over which hospital to go to if they need treatment. This compares with 59% of the top section in the survey, who earned more than £50,000 a year.

Payment by results

“Payment by results” is the national system by which money follows patients’ choices to the hospital or provider that carries out the treatment. The funding they receive is based on a national tariff of prices for operations. Combined with patient choice, payment by results creates a new internal market that ensures that providers will receive greater payments if they carry out more treatments. This will reward cost-effective and productive institutions and drive productivity within the health service.

As of March 2006, 12% of services are covered by the tariff and payment by results. The government aims for 90% of inpatient, day case and outpatient services to be covered by 2008. This year’s delay in the tariff, which destabilised financial planning for many trusts, shows there is a danger the government will be unable to meet this target.

21 Dawson, D, Jacobs, R, Martin, S and Smith, P *Evaluation of the London Patient Choice Project: System-Wide Impacts* (University of York, 2004).

22 Coulter, A, Le Maistre, N and Henderson, L *Patients’ Experience of Choosing Where to Undergo Surgical Treatment: Evaluation of London Patient Choice Scheme* (Picker Institute, 2005).

23 Appleby, J and Alvarez, A *Public Responses to NHS Reform* (British Social Attitudes Survey, 22nd report, 2005).

Use of the independent sector

The government has used the independent sector to treat NHS patients free at the point of delivery to add capacity to the system and promote innovation. In February 2005 John Reid, then Health Secretary, said: "From the patient's point of view, the monopoly of the NHS has meant waiting lists for years."

The first wave of independent sector treatment centres began in 2004. There are now 21 such schemes open, and a further 11 will open over the next 18 months. Over 250,000 patients have either been treated by or received a diagnostic service from the independent sector.²⁴

Where the independent sector has been used it has been a great success, with productivity running at roughly double that of the NHS. In the case of mobile cataract units, productivity in independent sector treatment centres has been shown to be eight times higher than in traditional NHS settings.²⁵ Waiting times for cataracts have been reduced dramatically. Independent sector treatment centres have over 94% patient satisfaction and have robust quality assurance systems in place, more ambitious and demanding than those for NHS organisations.²⁶

The government has estimated that 15% of NHS services will be provided by the independent sector by 2008, and it began the procurement of the second wave of independent sector treatment centres in March 2005. Unfortunately, this wave has already run into problems, with seven schemes being cancelled and the rest delayed.²⁷ This does not bode well.

Practice-based commissioning

Practice-based commissioning gives general practitioners the ability to purchase the most appropriate care on behalf of their patients. Any savings they make they are allowed to reinvest into their patients' services, thereby providing an incentive for them to ensure value for money when they purchase care as well as allowing them to drive the development of services.

24 Anderson, K. *Independent Sector Treatment Centres: A Report from Ken Anderson, Commercial Director, Department of Health, to the Secretary of State for Health* (DoH, 16 February 2006).

25 *Treatment Centres: Delivering Faster, Quality Care & Choice for NHS Patients* (DoH, January 2005).

26 Anderson, K, op cit.

27 *Health Service Journal* (27 April 2006).

Practice-based commissioning combined with patient choice will be the main driver to meet the government's aim – set out in the white paper *Our Health, Our Care, Our Say* – to ensure that more patients are treated outside of hospitals, and so less expensively. It began in April 2005 and approximately 20% of practices were to be carrying it out by March 2006. The government is aiming for universal coverage by December 2006.

Ensuring the success of the reform agenda

The themes of the reform programme are right, and the department deserves great praise for embracing a new and challenging policy approach. Nevertheless there remain certain issues that must be addressed if reform is to be brought to a successful conclusion.

Cost control

The main obstacle is the financial environment. The danger is that the pressure of funding will mean that funding needed to ensure the successful introduction of reforms will be swallowed by the priorities of the existing traditional system. The department would have been better served to have introduced funding changes before or at least accompanying reform.

To improve the financial environment, the department must take the following steps:

- Reconsider the future of hospital construction programmes. For the first time, payment by results means that capital is obsolete if it cannot make a return. Future capital spending must be assessed in terms of value for money. New PFI schemes and other such capital projects need to be considered in terms of the development of new, more appropriate services. They are likely to have shorter depreciation periods and be more flexible and modular.
- Review medical training plans in the light of the likely shortage of funded posts and the greater than expected recruitment of doctors from outside the UK on a career basis. There is little point in pulling more able young people into training with heavy costs when their employment chances are poor.

The government has carried out a policy of encouraging students to enter medicine that has only recently started to bear fruit, as the first few batches of students have gone through the system and are now becoming qualified doctors. The number of medical student graduates each year is to increase dramatically in the next five years. In 2010 there will be nearly 6,000 graduating medical students – 42% more graduating doctors than in this academic year.

Reform's recent report on NHS staffing warned that it was likely newly graduated doctors would struggle to find foundation posts in such a tight financial environment, with retirement levels of doctors remaining stable.²⁸ The NHS workforce review team warned that already "many [strategic health authorities] plan to maintain or reduce staffing levels overall. It is entirely possible that the rate of workforce growth will drop back (rather than slow) in 2006/07 to levels at or below the previous trends. We already have evidence that newly trained staff are having difficulty in finding jobs in a number of specialities and staff groups."²⁹

Accelerate reform

The delays in elements of the reform programme, such as the second wave of independent sector treatment centres, has raised concerns about the commitment of the department to seeing it through. They have encouraged opponents of change within the service.

A better approach is instead to accelerate the planned reforms, to enable positive results to emerge more quickly and to show commitment to the whole reform process. This would include the following:

- Investing in greater pluralism. At least £1 billion a year should be spent to develop new providers. Unless the NHS makes the transition to a mixed economy of care there will be no chance of securing major productivity gains.
- Reconsidering the role of the private sector. For pluralism to work there has to be a reduction of the proportion of NHS-provided care – of at least 15% in some services – in order to release funding to buy in services.
- Accelerating the move towards foundation trusts, practice-based commissioning and payment by results. Value for money starts at a very local level, with direct managerial responsibility for budgets.

Financial discipline

Some acute trusts – perhaps a quarter of the whole – have suffered from inadequate financial management. This will make it more difficult for the trusts to implement reforms such as payment by results effectively.

²⁸ Bosanquet, Haldenby, de Zoete and Fox "Staffing and Human Resources in the NHS: Facing Up to the Reform Agenda" in *Reform* (April 2006).

²⁹ *Workforce Review Team Recommendations 2006/07: Healthcare Scientists, Allied Health Professionals, Nurses, Midwives, Doctors, Dental Teams & Pharmacists* (NHS, 2005).

To ensure the success of the reform programme, the government must do the following:

- Improve financial management. Managers must come to regard getting value for money as a key part of their job. At present, outside foundation trusts many managers do not have timely information on their costs.
- Empower trusts to hold reserves against the great uncertainties created from payment by results. By 2008 trusts should have reserves equal to 5% of annual budget.

Engaging with the public regarding re-engineering of services

Change to models of care needs to be presented in a more positive way. The public – unsurprisingly – sees the closing of some hospital services as a disaster for the local population. Government must sell the benefits of a modern, patient-led service that has screening, integrated care and quicker access. As these benefits become apparent and more care is provided in settings other than local hospitals, public perceptions will change without the need for communication by government. Nevertheless, politicians across the board – including opposition MPs that support the reform agenda – must be brave enough to turn down the political opportunities that the closing of services can provide and instead make the argument for a reformed and integrated healthcare system.

The potential gains of reform

It is worth considering the benefits to be achieved if the reform programme is successfully implemented.

Patient choice and payment by results will lead to a dramatic re-engineering of services, with much more care carried out in the community rather than in large, acute, secondary hospitals. GP practices will carry out many more of the operations that previously they would have referred to the local district general hospital. Other providers – both for-profit and charitable – will move into the health market to provide care to NHS patients at their convenience in the community. These smaller providers will be more efficient, productive and better placed to serve the wants and needs of patients.

This re-engineering of services will lead to a reduction in the number of large hospitals, as they struggle to compete in a world of payment by results and patient choice. Patients will not choose to be treated in large hospitals at the edge of town with long waits, when they can go to smaller, more personal units nearer to where they live. Similarly commissioners – whether they are GPs under practice-based commissioning or primary care trusts – will look to husband resources and avoid inefficient providers and hospitals.

In terms of human resources, the outcome should be that foundation trusts, a greater variety of providers and practice-based commissioning of new services will drive the system towards much more local and flexible arrangements in terms of staff roles and pay structures. National pay agreements will play a declining role, based on defining minima. Payment by results will come increasingly to mean that pay levels will be related to the competitive performance of the local healthcare enterprise. There will be much greater emphasis on building a strong staffing team that will improve quality and productivity, rather than simply increasing numbers and assuming the result will be an improvement.

Given the examples of the kinds of productivity gains seen in independent sector treatment centres and other types of providers, such as GP surgeries, it is likely that there will be a 10% reduction in the total number of NHS staff. This will occur across all generic staff, skilled and unskilled. In the long term, staff will gain from working in smaller, more independent organisations, thereby increasing their professional freedom, choice and satisfaction. Staff morale will improve.

Much greater information for patients on hospital and provider performance will become readily available. This will mainly take the form of specialist websites and information provided by the healthcare regulator, but is also likely to be provided by other independent organisations and the local and national media as well as the medical press. An equivalent of *Which?* for the healthcare market is more than likely.

On the supply front, all providers will have to measure their performance against value for money. Strategy decisions will now always have to be made in this light when previously – particularly in the recent times of large real-terms spending increases – value for money had little to no influence on management decisions. Providers will start using statistics such as output/sales per employee.

All these changes will be to the great benefit of patients, who will have more choice and control over their healthcare than ever before.

Beyond 2010 – reform and equity

The long-term future of the NHS needs to be put in the context of a tight medium- and long-term public spending outlook. The recent white paper on pensions has increased the pressure on other areas of spending, with proposals for tax increases (and also reduced consumer spending due to new near-compulsory savings).³⁰ The key challenge is how the

30 *Security in Retirement: Towards a New Pensions System* (Department of Work & Pensions, 2006).

health service will meet rising public expectations in this new era. Previously public expectations were met and improvements were made by simply increasing funding. This will no longer be possible.

One answer is the existing reform programme. Some have argued that the introduction of choice and pluralism should aim to achieve a 30% reduction in unit costs across the NHS. The introduction of new providers should see unprecedented gains in innovation.

In the medium term, the fiscal environment should drive a definition of the core programme funded by the taxpayer and other services funded in partnership by the taxpayer and individuals. These latter services will include those areas that are already failing to provide a universal service, such as stroke rehabilitation. It is highly unlikely that the demands of increasingly empowered and demanding consumers will be exactly met by the amount that government is willing to fund.

The development of pluralism in the health service, in both provision and funding, is something that has traditionally been viewed negatively in terms of equity. This view has been greatly mistaken. Looking to the private sector as a whole, and in particular new industries, privately funded markets have been exceptionally successful in delivering equality of service. Even those on low incomes are able to afford the luxury of new services and goods such as modern communications and information technology, electronic equipment and international air travel. Given this evidence, we can be confident that the greater development of markets in healthcare will also achieve the improvements in equity for which ministers have rightly called.

Chapter 2

School education to 2010 – absence of reform

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School education to 2010 – absence of reform

Challenges to 2010

The challenges in state school education up till 2010 are very similar to those of the national health service: profound social inequity and unevenness of performance between children and between areas of the service. While the education service does not appear to face the crippling cost pressures that face the NHS, it does face a regulatory issue in regard to the quality of public examinations.

Inequity

Profound inequality exists in the present system; children living in the most deprived areas continue to have access only to the worst-performing schools at all levels. At primary school level:

- The worst performing schools, where no more than half of 11-year-olds achieve the required level in English, are exclusively in deprived areas.
- Using the same measure of how many 11-year-olds reach this required level, in affluent areas, three-quarters of primary schools achieve an 80% target. In deprived areas, three-quarters of primary schools fail to reach the 80% target.
- In 2002/03, just over 15% of all primary schools had high proportions of pupils entitled to free school meals, but these represented approximately 30% of all schools placed in special measures.³¹

At secondary school level:

- Pupils who are eligible for free school meals are less than half as likely to get five or more GCSEs at grades A*-C than children who are not.
- One in 10 children on free school meals leaves school without a single qualification.³²

As in the NHS, ministers have rightly drawn attention to this inequity. In his first speech as Secretary of State for Education and Schools, Alan Johnson said:

This government has achieved an awful lot since 1997, but if we blow our trumpet at all it should be to sound an alarm for the continuing failures in our education system. The

³¹ *Five-Year Strategy for Children & Learners – Putting People at the Heart of Public Services* (Department for Education & Skills, 2004).

³² Alan Johnson, speech to the Fabian Society (25 May 2006).

*fact is that some children still get a raw deal. From the moment they are born, the scales of educational achievement are tipped heavily against them.*³³

The Prime Minister has also acknowledged the continuing problems. In a speech in September 2005, he said:

*Let's be brutally honest here. In schooling, the better-off do have choice and power over the system. If they are sufficiently wealthy, they can send their children to a range of independent, fee-paying schools, which, by and large, provide excellent education. Or they can move house to be next to the best state schools. Or they can buy private tuition. In other words, for the better-off, the British education system is full of options. But for a middle- or lower-income family, whose local school is the option and which is underperforming, there is nothing they can do, except take what they are given.*³⁴

Similarly, the government has pledged to improve education as a way to increase social mobility. In the foreword to the recent Labour Party pamphlet *Let's Talk Public Service Reform*, Tony Blair said:

We are determined to weaken the link between a person's origins and their chances in life. After half a century of the welfare state, the link is still too strong.

Parental status and occupation, however, are still a major indicator of attainment. In 2004, 73% of children who had at least one parent with a degree got five GCSEs at grade A*-C, compared with 41% of children who had parents with no A levels.³⁵

Public examinations

The government prides itself on having increased standards at all levels of education. The numbers of students achieving the benchmark grades at primary and secondary level have increased significantly, in line with government targets.

- The proportion of 15-year-olds gaining five GCSEs at grade A*-C has increased from 46.3% in 1997/98 to 56.3% in 2004/05.
- The percentage of 11-year-olds reaching the expected level of achievement in English has risen from 63% to 70% in the same timespan.

33 Ibid.

34 Tony Blair, speech to the City of London Academy (12 September 2005).

35 *GCSE & Equivalent Results & Associated Value Added Measures in England 2004/05* (DFES, 2006).

However, key benchmark targets are not being met and the pace of progress is not fast enough to bring about the desired benefits, despite spending virtually doubling from £29 billion to £56.5 billion. The latest annual report of the Department for Education & Skills showed that there has been slippage on several key targets, such as ensuring that 20% of students gain five GCSEs at grade A*-C in all schools.

At a primary level, improvements are slowing and an emphasis on targets has led to a narrowing of the curriculum. Ofsted reports that:

- the National Numeracy Strategy has had a positive effect on learning and achievement, but recently progress has slowed;
- in order to retain improvements gained in English and mathematics, schools have missed opportunities to broaden the curriculum by not giving enough emphasis to other subjects;
- attendance is good in half of schools, but remains unsatisfactory in one-fifth.³⁶

At secondary level, the increase in the number of students getting five good GCSEs has been counteracted by continued poor performance in the key basic skills areas of English and maths:

- 42% of pupils finished year 11 without at least a grade C in English, and 48% failed to reach the same standard in GCSE maths;
- 54% of pupils fail to achieve the expected level in both English and maths;
- 7% of pupils fail to achieve level 1 in maths.

These statistics also overstate the true improvement in performance, since there is robust academic evidence that public examinations have declined in quality.

At key stage two, research published by the Curriculum Evaluation & Management Centre at Durham University found that the actual rise was much lower than government statistics portray.³⁷ The large increase was due to a fall in the difficulty in the exams during the 1995 to 2000 period rather than a large increase in pupil attainment. There has been an improvement in attainment, but it is nowhere near as high as government statistics suggest.

³⁶ The Annual Report of Her Majesty's Chief Inspector of Schools 2004/05 (Ofsted, 2005).

³⁷ Tymms, P, Coe, R and Merrell, C Standards in English Schools: Changes since 1997 and the Impact of Government Policies & Initiatives (CEM Centre, University of Durham, April 2005).

Figure 1: Percentage of 11 year-olds achieving level 4 or higher – official figures and actual standards (%)

	Maths		English	
	Official	Actual	Official	Actual
1995	44	44	48	48
1996	54	48	57	50
1997	62	52	63	52
1998	58	56	65	54
1999	69	60	70	56
2000	72	64	75	58
2001	71	63	75	58
2002	73	65	75	58
2003	73	65	75	58
2004	74	66	78	60
2005	75	67*	79	61*

Source: Tymms et al, op cit

The Curriculum Evaluation & Management Centre has also shown that A-level standards have fallen since 1988. The extent of the fall in standards ranges between three grades for mathematics and one-and-a-half grades in biology. For example, a student achieving an E in A-level mathematics in 1988 would have achieved a B in 2004.³⁸

Vocational education

A long-standing problem for the UK education system is the comparatively small number of students in education after the age of 16, in relation to other industrialised countries. The new Secretary of State for Education and Skills has said:

*England's share of 17-year-olds in education is 37th out of the 40 major industrial economies. We're way behind countries like Korea. We have to ensure that the school leaving age is an irrelevance because all youngsters stay in full-time education until they're at least 18.*³⁹

³⁸ Tymms et al, op cit.

³⁹ Alan Johnson, speech to the Fabian Society (25 May 2006).

In recent years the percentage of 17-year-olds in full-time education and training has fallen, from 80.1% in 1997 to 79.1% in 2003.⁴⁰

The poor perception of vocational education is one of the reasons for lack of uptake and effectiveness of vocational education. The 14-19 education and skills white paper commented:

*This has been this historic weakness of our education system: not merely that vocational routes are seen by many young people as second class, but also that they are not seen by employers and universities as sound preparation.*⁴¹

In fact these perceptions are very close to reality. Insufficient content and lack of adequate teachers mean these courses fail to match up to the rigour of GCSEs and A levels.

Current policy themes

The best statement of the government's policy intention through to 2010 is the DfES's five-year plan, published in July 2004.⁴² This set out the following principles of reform, in children's services as well as schools:

- "Greater personalisation and choice, with the wishes and needs of children's services, parents and learners centre stage."
- "Opening up services to new and different providers and ways of delivering services."
- "Freedom and independence for frontline head teachers, governors and managers, with clear, simple accountabilities and more secure streamlined funding arrangements."
- "A major commitment to staff development, with high-quality support and training to improve assessment, care and teaching."
- "Partnerships with parents, employers, volunteers and voluntary organisations to maximise the life chances of children, young people and adults."

This is striking in that it emphasises ideas of freedom, deregulation and choice – a "market" agenda – rather than centrally set standards and initiatives. It therefore represents a clear change of policy principle from the first term of the present government, where the emphasis was on central direction of poorly performing schools. According to one analysis, the key School Standards & Framework Act in 1998 led to the implementation of 17

40 *Participation in Education, Training & Employment by 16-18 Year Olds in England: 2003 & 2004* (DfES, 2004).

41 *14-19 Education & Skills White Paper* (DfES, 2005).

42 *Five-Year Strategy for Children & Learners – Putting People at the Heart of Public Services* (DfES, 2004).

different education “plans” for central and local government. The national literacy strategy and the national numeracy strategy were also examples of this approach.

The Prime Minister directly addressed the change in the government’s direction in a speech launching the latest education white paper:

Since 1997, there have been two stages of reform. In the first, we corrected the under-investment and drove change from the centre. This was necessary. For all the difficulty, without targets for waiting, for A&E, for school results, we would not have got the real and genuine improvements in performance ... In the second stage, essentially begun in 2001, we added another dimension. We started to open the system up to new influences and introduced the beginnings of choice and contestability ... We are now at the crucial point where the reforms can be taken to their final stage ... In both the NHS and in education, there will in one sense be a market. The patient and the parent will have much greater choice. But it will only be a market in the sense of consumer choice, not a market based on private purchasing power. And it will be a market with rules. Personal wealth won’t buy you better NHS service. The funding for schools will be fair and equal no matter what their status; and there will be no return to selection aged 11.⁴³

Very similar language was used in the recent Labour Party policy document *Let’s Talk*:

We have a vision of services in which power is transferred into the hands of the people. We see parents, pupils and patients as the vital drivers of change. We want the services to be as diverse as possible, to reflect the fact that people need different things from their schools and hospitals. We want patients and parents to be able to exercise choices. We want their voices to be heard loud and clear. That way services can be tailored to individual needs ...

We do believe in giving people choices over their service, where that is possible. If people have a choice they have power. The service is likely to be more responsive to their needs.⁴⁴

These principles of choice and pluralism of delivery are clearly in line with the principles being pursued in health policy.

43 Tony Blair, speech at 10 Downing Street (24 October 2005).

44 *Let’s Talk: Public Service Reform* (Labour Party, 2006): p3, p14.

Weakness of policy implementation

The key focus of the DfES's five-year plan was on secondary schools. It set out a number of policies that were directly in line with the new policy directions already described:

School autonomy

- "Universal specialist schools – and better specialist schools [including other types of school such as teaching colleges]."
- "Freedom for all secondary schools to own their land and buildings, manage their assets, employ their staff, improve their governing bodies, and forge partnerships with outside sponsors and educational foundations."
- "A 'new relationship with schools' to cut the red tape involved in accountability, without cutting schools adrift."
- "'Foundation partnerships' to enable schools to group together to raise standards and to work together to take on wider responsibilities – in areas such as provision for special educational needs or hard-to-place pupils."
- "Guaranteed three-year budgets for every school from 2006, geared to pupil numbers, with every school also guaranteed a minimum per-pupil increase each year."
- "200 academies by 2010..."

Greater parental choice

- "... and more new schools."
- "More places in popular schools."

These policies have remained at the heart of the department's activity. The "trust schools" at the heart of the Education & Inspection Bill, for example, deliver the "freedom for all secondary schools to own their land and buildings" et al promised in the five-year plan.

It is immediately clear that the focus of the policies is on school autonomy rather than choice, and on increasing the types of state schools rather than introducing competition between state and non-state providers. This is a very clear contrast with policy on the NHS, where independent providers have been invited into the system. The five-year plan made clear that this would not be countenanced for education:

Nor do we confuse independence with an opt-out subsidy to parents choosing private schools. Every penny of our investment in education will be used to enhance choice and quality within the state-funded system. We will not divert any part of it to pay or to subsidise the fees of pupils in private schools. We will, however, continue strongly to

encourage successful private and other school providers to set up new academies in the state sector, on the basis of all-ability admissions and fair funding.

An analysis of implementation, however, reveals that these policies are not being delivered in line with the government's intentions or expectations. In particular, the variations on the local education authority-maintained comprehensive model, including the "trust schools" listed in the Education & Inspection Bill, do not enjoy the management freedoms described in advance by senior ministers. Local education authorities retain their planning roles.

Specialist schools

The heart of the five-year plan is a drive for all secondary schools to become specialist schools. In reality, however, specialist schools have very little more freedom than normal schools:

- Fixed curriculum. While specialist schools are expected to focus on their own specialism, they must teach to the national curriculum. They can vary from the national curriculum only after consulting the local education authority and receiving the approval of the DFES.
- No variation of admissions. Specialist schools may select only 10% of their intake.
- No variation in employment of teachers. Teachers in specialist schools are employed under national terms and conditions. Schools can vary from national pay bargaining only after consulting the local education authority and receiving the approval of the DFES.

It is therefore unsurprising that specialist schools have been little or no better at raising standards than other schools. Giving evidence to the House of Commons education select committee on 27 November 2002, Ofsted's secondary division manager Mike Raleigh said:

The trend of improvement – and I think this is an important fact – since 1997 for those schools is broadly similar to the national picture. So, while they have been getting better, we are not talking about dramatic transformation. Their trend of improvement is about the same as nationally. It is also perhaps worth pointing out that technology colleges, which form ... easily [the] biggest group of specialist schools, have shown a slight fall in their improvement trend since the analysis we undertook in 2001.

Other types of schools

The five-year plan referred to “better specialist schools”. In practice this refers to two further categories: leading edge partnerships, based on a lead school, and training schools. Neither is markedly different in character from other specialist schools.

Leading edge partnerships aim to enable schools to work together in order to tackle challenges seen as particularly difficult. The programme offers funding distributed via a lead school for use across the partnership to work on locally determined learning challenges. At a local level, lead schools bid for £60,000 a year for three years for an agreed programme of activities. This money is given to the lead school through the standards fund, but should be spent for the benefit of the partnership following joint decisions between all the schools.

There are 205 partnerships in the programme. This includes 103 partnerships in the first round (September 2003 until August 2006) and 102 partnerships in the second round (September 2004 until August 2007).

Training schools are specialist schools with a particular expertise in teacher training. They receive additional funding, similar to that of leading edge partnerships: schools choosing the training school option, after meeting the high-performing specialist school criteria at redesignation, will receive £60 per student, with a minimum level of funding of £60,000, up to a maximum of £90,000. This is in line with the additional funds received by specialist schools.

There are 244 training schools in England. From July 2005, participation in the training schools programme will be dependent on a school being (or becoming) a specialist school and meeting the high performance criteria set at the point of the school's redesignation.

City academies

The lack of management freedom of specialist schools can be contrasted with city academies. Academies are the government's flagship education reform for inner-city education, where the worst education standards are concentrated. The first academy opened in 2003. There are now 69, with a target of 200 by 2010 (out of a total number of secondary schools of 3,400 in England). Each academy is sponsored by a private-sector company, individual or charitable organisation. The sponsor is expected to put £2 million towards the initial capital cost of the academy, while the DfES spends an additional £23 million.

City academies have significant additional freedoms compared with other secondary schools:

- Curriculum. They are not bound by the national curriculum.
- Pay and conditions. They are not required to adhere to the national pay spine for teachers. Because public services are so labour-intensive, the ability to set terms and conditions means that managers of academies have among the greatest freedoms of all public-sector managers – more, for example, than the managers of foundation hospitals.
- Governance. The private-sector sponsor of each academy nominates the majority of governors to the governing body.

They remain, however, under similar controls to other types of schools in other respects:

- No selection. Like specialist schools, they can select only 10% of their intake according to their “aptitude” in a particular specialism (either science, arts, business and enterprise, computing, engineering, maths and computing, modern foreign languages, performing arts or sport and technology).
- Unable to expand in response to parental demand. Expansion is at the discretion of the DfES.
- It is also important to note that academies are not created in response to parental choice. They either replace an existing failing school or are built in response to rising pupil numbers.

Trust schools

The education bill's key proposal was the creation of a new category of school, the “trust schools”. Each primary or secondary school can create its own trust – which must be a not-for-profit organisation – or link itself with another trust.

According to the education white paper in October 2005, the key potential benefit of trust schools was their ability to acquire the real management freedoms of control over their curriculum and teachers' pay and conditions. These freedoms are already enjoyed by city academies:

Trust schools will also be able to apply to the Secretary of State for additional flexibilities – any granted in this way will apply across all schools supported by the trust. This could include additional curriculum flexibilities and freedoms over pay and conditions, where

*the trust can demonstrate that these will raise standards.*⁴⁵

Similarly, Tony Blair said on 24 October 2005:

We need to make it easier for every school to acquire the drive and essential freedoms of academies – and we need to do so in a practical way that allows their rapid development to be driven by parents and local communities, not just by the centre.

In fact trust schools *cannot* apply for these freedoms. They can only apply for a “power to innovate” – an existing measure by which schools can apply to the Secretary of State to vary from existing legislation for a period of not more than three years.

*19. Trust schools are, in law, foundation schools with a foundation. They are part of the local authority family of maintained schools and, as such, are subject to fair funding and to the full accountability regime. They will have the freedoms that foundation schools now enjoy. In addition, a trust will be able to apply to the Secretary of State for additional freedoms under the Power to Innovate that would then be available to all of the schools associated with it.*⁴⁶

In practice the power to innovate has had a negligible impact. In the three years of its existence (2002/03, 2003/04, 2004/05), only 178 of the 25,000 schools in England and Wales have benefited from it (less than 1%).⁴⁷

The tone of the white paper suggested that few schools would make this extra application:

Trust schools will be, in effect, independent state schools, but will remain part of the local authority family of schools. The National Curriculum, the assessment regime and the usual provisions on teachers’ pay will apply, except where the Trust has agreed flexibilities (as above). Trust schools will be funded in exactly the same way as other local schools. They will be subject to the Code of Practice on admissions and to all of the accountability mechanisms that apply to state schools.

It is very likely that the trust schools will repeat the difficult experience of grant-maintained schools in the 1980s and 1990s. Grant-maintained schools, first established in

⁴⁵ *Higher Standards, Better Schools for All, education white paper* (DfES, 2005).

⁴⁶ *The Government’s Response to the House of Commons Education & Skills Committee Report: The Schools White Paper: Higher Standards, Better Schools for All* (DfES, February 2006).

⁴⁷ *Powers to Facilitate: Innovation Annual Report for the Academic Year Ending 31 July 2005* (DfES, 27 October 2005).

1988, had the same limited freedoms as trust schools and could also apply for full freedom of management. But only a minority of schools took the initiative to become grant-maintained and only two succeeded in taking control of teachers' pay and conditions. The result was that grant-maintained status became seen as divisive and was abolished in 1997.

The fierce response of the teachers' unions to the suggestion of greater choice or school autonomy suggested that they would oppose any parental campaign for new schools or governing body campaign for trust status, as the unions did with grant-maintained schools. A far better solution would have been to establish the mechanism of school choice and to provide freedom of management to all schools.

Figure 2: Key categories of secondary school

Type of school	First introduced	Number	Comments
Foundation schools (can also be specialist schools)	1998	513 (15% of total secondary schools)	Replaced grant-maintained schools. Funded directly from government, like grant-maintained schools Little extra freedom from regulation – must deliver national curriculum, must employ teachers on national pay and conditions
Specialist schools	1994	2,502 (75% of total) Aim that all secondary schools will be granted specialist status	One-off capital grant of £100,000 Additional funding of £126 per pupil a year for four years Must deliver the national curriculum Must employ teachers on national pay and conditions Can select 10% of pupils by aptitude

Type of school	First introduced	Number	Comments
City academies	2000	69 New target of 200 (6% of total)	<p>Sponsored by private or voluntary organisations that sit on the governing body and contribute £2 million in initial capital funds. Government contributes around £23 million capital funds</p> <p>Do not have to deliver national curriculum</p> <p>Do not have to follow national pay and conditions agreements</p>
Leading edge partnerships	2003	205 (6% of total)	<p>Same as specialist schools except:</p> <p>Gain funding distributed via a lead school for use across the partnership to work on locally determined learning challenges</p> <p>Each lead school is given £60,000 a year, for three years for an agreed programme of activities</p>
Training schools	2004	195 (6% of total)	<p>Same as specialist schools except:</p> <p>Build up and share good and developing initial teacher training practice with other schools and their training providers</p> <p>From July 2005 participation in the training school programme will be dependent on being or becoming a specialist school</p>

New providers

The Education & Inspection Bill only provides for local authorities to give opportunities for charitable providers to enter competitions to establish new schools. Because competitions are held only when schools are needed owing to population growth (for example, where new towns are created), they have no impact on existing areas of poor provision, where new methods are most needed.

Vocational education

The government has rightly given renewed focus to vocational education. Its key

programme is to develop 14 specialised diplomas, in a range of subjects from IT to hair and beauty. Students will be able to take these diplomas from key stage three, and they will combine general education with applied learning. Educators and employers will be brought together to develop these diplomas. Earlier this year the then Secretary of State, Ruth Kelly, said:

If we get it right, the result will be pupils who are better motivated, and a wide range of new and exciting opportunities for teachers, building on the strengthening and clarification of teachers' roles that has already taken place.⁴⁸

This strategy is in danger, however, of repeating yet again the attempt to solve the inadequacies of the vocational route through reform of qualifications rather than funding and teaching quality. The needs of less academically inclined students have been addressed first by the replacement of the GCE O-level and the CSE with the GCSE, and then with the involvement of employers, National Vocational Qualifications and General National Vocational Qualifications, and Vocational GCSEs. Each change in qualification has failed to change poor perceptions.

Examination standards

The strength of qualifications is absent from the government's reform agenda; it should not be. While students and parents may enjoy the satisfaction of relatively high examination grades, their achievements are now questioned by universities and employers. The significant fall in the standards of mathematics examinations is a particular concern, given the key role that mathematics and science education will play in helping the UK meet the competitive challenge presented by China and India. Arguably, the depth and breadth of A-level examinations should be increasing rather than reducing.

Delivering reform

In contrast to the NHS, therefore, the government has yet to establish the policy mechanisms that can deliver on its principles of change.

This is particularly surprising since, in his foreword to the education white paper, the Prime Minister spoke positively of international programmes that allow the establishment of taxpayer-funded independent schools, on the model of the reforms in the NHS:

48 Ruth Kelly, speech to the National Association of Schoolmasters Union of Women Teachers annual conference (13 May 2006).

Parent choice can be a powerful driver of improved standards ... Many other countries have successful experience with school choice. There is increasing international evidence that school choice systems can maintain high levels of equity and improve standards. Swedish parents can choose an alternative school to their local one, including a diverse range of state-funded independent schools. Studies have found that schools in areas where there is more choice have improved most rapidly. In Florida, parents can choose an alternative school if their school has "failed" in two of the last four years. Again, studies showed test scores improved fastest where schools knew children were free to go elsewhere.

Both domestic and international experience point to two key means to implement reform more successfully:

- removal of central control, targets and intervention; and
- real choice for parents.

Reform of funding

The introduction of patient choice and payment by results in the NHS gives a sense of how the provision of school education can be effectively opened up. In health, by 2008, money – including capital resources – should follow the patient into providers, of whatever sector, that can provide at or below the NHS tariff. The Department of Health is prioritising access and innovation above concerns over spare capacity.

Exactly the same policy can be followed in education. Recurrent funding is already delegated to schools largely according to pupil numbers. In a reformed system, money – including capital budgets – would be allocated to schools following parental choice. This requires a genuine capitation system, similar to that which operates in Sweden, where schools receive resources according to the decisions of parents. Parents should be free to choose education in either the state or the independent sector.

The capitation value would vary by pupil age and other factors reflecting higher costs, such as inner-city schools and those with special needs. This would ensure that children often seen as unwanted problems in the current system would be accorded extra value by education providers and should allay equity concerns.

In such a system, the fact that funding follows the pupil removes the need for capacity planning by the local education authority and makes DfES guidance on school places

redundant. Decisions made by parents on which school to send their children to then determine the size of those budgets and whether a school expands or contracts. The lock on the expansion of good schools and the creation of new schools is broken.

Reform of supply

The reform of school funding is the precondition for a greater diversity of supply, since it breaks down the barrier between state and independent education. But choice works best when parents are able to find the educational opportunities most appropriate for their child. Schools will respond best to parents if they are free to manage their own affairs, in particular over the curriculum, following the example of city academies.

This means a major diminution in the government's direction of policy and its target-setting role. Following the example of management freedoms over pay in the NHS, in particular those enjoyed by foundation hospitals, head teachers should be responsible for the employment of teachers and should be free to appoint anyone they want to any post. They should also be responsible for the training of their staff. Again following the example of city academies, pay and conditions bargaining should be carried out on a school-by-school basis.

Government's key role as regulator should be to ensure that, in order to exercise choice, parents should receive accurate information on the performance of schools. It should also ensure that schools publish annual educational and financial results. Over time, schools will develop their own forms of assessment and will not need to follow national tests or public examinations. But such conditions will take time to emerge. As an interim aid to parents, therefore, schools could continue to administer nationally set tests in the basic skills of reading writing and arithmetic at the ages of 7 and 11, and examinations in secondary school subjects at 16 and 18.

Government must also maintain the financial integrity of the system. As well as distributing financial support to parents, it should register all organisations proposing to receive taxpayer support for education. But this role should not be allowed to become a means for government to take back control over curriculum and teaching methods.

Vocational education

School choice addresses the root cause of poor-quality vocational provision. At present, the incentives for vocational providers are low and there are few opportunities for children. Improvements to vocational qualifications, as recommended by the Tomlinson

report on 2002's A-levels crisis, will not increase these opportunities. Rather, international evidence clearly shows that the only way to introduce an effective system of vocational provision is to allow choice. Once funding follows the pupils, the market will respond to their demands and provide the courses that pupils want and need.

Reform in practice

At the recent major conference held by the National School of Government and attended by the Prime Minister and the Chancellor, Per Unckel – the former Swedish minister for education and science – explained the effects of the school reform programme introduced in Sweden in 1992.⁴⁹ He explained that Sweden had experienced a steady growth in taxpayer-funded independent schools. The enrolment into independent schools had risen by about 10% a year since choice was introduced in 1992 and the number of independent schools had grown from 90 to over 400. In some municipalities, it is estimated that about 50% of students will attend independent schools within 10 years.

Similarly, new chains of independent schools in Sweden are developing new curricula. Kunskapsskolan, a chain of 22 independent schools, has developed a new style of learning based on the individual child. On entering the school, each student is assessed to find out what he or she knows and is then taught at his or her own pace, with a personal tutor moulding the curriculum to the child's need.⁵⁰

Consensus and equity

The passage of the Education & Inspection Bill revealed very great agreement between the government and the opposition on the principles of education reform. The bill was passed, by 422 votes to 98 at the third reading, as a result of Conservative support. Conservative leader David Cameron has said:

The true job of the opposition is to hold the government to account. And that means supporting it when it tries to move in the right direction. We're voting for the education bill because it makes it easier to expand good schools, easier to close bad schools and easier to set up new schools. The bill enables schools to establish trusts, which will give them the sort of sort of independence – owning their own buildings, employing their own staff, establishing their own culture and ethos – that we have backed for years. Of course I recognise that the bill doesn't go far enough. But it is a step in the right direction.

49 "21st Century Public Services – Putting People First" (6 June 2006).

50 Ibid.

*Conservatives will not only vote for the education bill, we'll seek to build on it for the future.*⁵¹

This is an indication that a new centre ground has opened up in education politics, which leaves the opponents of reform at the margins of the debate.

Both parties remain uncertain, however, about the policies needed to deliver on these reform principles. The difference from cross-party support for the NHS reform programme is very striking.

One explanation may lie in the inequitable performance of the system. Because good state school performance is concentrated in areas of greater affluence, and academic provision is greatly superior to vocational provision, many of the most articulate parents may feel they are getting a good deal from the state school. Their children are likely to be able to achieve reasonable or good results at GCSE and A-level and to achieve a university place. It may be that the most articulate parents are not applying political pressure for system change.

This is not, however, a satisfactory settlement. The need for equity requires politicians to demonstrate leadership and to move beyond what they perceive as the constraints of public opinion.

They may find greater support than they would imagine. In October 2005, an ICM poll commissioned by *Reform* found that 49% of voters thought that it would be a good idea if "parents should be allowed to use the government money spent on their children's education (around £5,500 a year per child) to send their children to any school they choose, including independent schools". Only 23% thought that it would be a bad idea.⁵²

As with health, the gains to pluralism are likely to be experienced most by lower-income families. Closing his presentation to the National School of Government conference, Per Unckel commented that students from the most difficult backgrounds were over-represented in new independent schools because their parents had sought out new options. For the UK to share these kind of benefits, for educational opportunity for all to be achieved, principle must be turned into reality.

51 "Higher Quality Education for All", speech by David Cameron (4 June 2006).

52 In 2004, a Mori poll conducted for the *Today* radio programme found that 59% of voters thought that "offering parents a wide choice of schools will help push up standards for all state schools".

Chapter 3

Policing to 2010 – a new reform agenda

Nick Herbert MP, Shadow Minister for Police Reform

Policing to 2010 – a new reform agenda

Issues to 2010

In his Dimpleby lecture last year, the Commissioner of the Metropolitan Police, Sir Ian Blair, said, "It is time to decide what kind of police service we want." In fact it is not hard to ascertain what the public wants: a police service that fulfils Sir Robert Peel's first principle of policing by successfully preventing crime and disorder. In all of the debates about police structures, workforce or – inevitably – resources, this basic public demand can easily be forgotten.

Still, debate on policing over the next five years will be driven by a series of increasing challenges to the police service. These will certainly include the overall level of crime, which – contrary to the tone of ministerial announcements – remains unacceptably high. A major challenge will be the additional demands on the service, some generated by external factors, such as international terrorism; some a consequence of rising public expectation about levels of public service, and some caused by the government itself, for instance through its new agenda of summary justice.

These additional demands will have to be met within a context of tight budgets. Ahead of next year's spending review, the Chancellor has already announced that the Home Office budget will not rise at all in real terms in 2008/09 and 2009/10. Given the pressures on other areas of the Home Office, the police service may well have to accommodate increased demands within falling real-terms resources, making productivity an essential policy theme.

While the ideas of localism are creeping into ministerial rhetoric, the government's key modus operandi is actually to centralise decision making. Without reform, this will see a more centralised and politicised police service by 2010, increasingly divorced from local needs and wishes.

The police cannot fight crime alone. They are one element of the criminal justice system, albeit a vital one. When he was shadow home secretary, Tony Blair famously spoke of "causes of crime", and he appeared to see the importance of holistic reform of the whole criminal justice system. He said:

We can now make a fresh start, combining a criminal justice system that works with a society prepared to act to tackle crime's causes, a new national programme around which

*the public and policy makers can unite in the interests of the country and act in full and proper partnership with the police to combat crime and the fear of crime.*⁵³

Yet there is a yawning gap between this ambition and the reality of policy:

- Tony Blair defined the “causes of crime” as low opportunity and family breakdown. Yet unemployment among 18- to 24-year-olds has risen and educational attainment for children in deprived areas is much lower than for those in affluent areas. Since 1997 the proportion of married families has fallen and the proportion of cohabiting and single-parent families has increased.⁵⁴
- Fifteen per cent of defendants fail to attend court hearings, and the period between offence and completion for criminal cases is lengthening.⁵⁵ Last year, cases in the magistrates’ courts took on average 152 days from offence to completion.⁵⁶ Sixteen per cent of crimes that are cleared up result in no further action, because witnesses fail to come forward and there is insufficient evidence to arrest and charge.⁵⁷ Sixty per cent of the public believe that the criminal justice system is ineffective in bringing offenders to justice, and around a quarter of court users emerge with a confidence level in the court system lower than it was before they directly experienced it.⁵⁸
- Prisons are literally full and rehabilitation rates for both community and prison sentences have worsened. The number of prisoners committing further offences within two years of release has risen to 67%, compared with 58% when the government came to power.⁵⁹ Ninety-one per cent of juvenile offenders on the intensive supervision and surveillance programme have been reconvicted of a crime.⁶⁰

When so many elements in the criminal justice system are failing, improving police performance will not be enough. If sentenced criminals are not properly dealt with because they are poorly monitored, released from custody prematurely, or not rehabilitated while in prison, convicting more criminals only postpones the repetition of crime.

53 Police Foundation lecture (14 June 1994).

54 *Focus on Families* (Office for National Statistics, 2005).

55 *Facing Justice: Tackling Defendants’ Non-attendance at Court* (House of Commons public accounts committee, 16 June 2005).

56 *Doing Law Differently* (Department for Constitutional Affairs, April 2006).

57 *Narrowing the Justice Gap* (Crown Prosecution Service, 2002).

58 *Doing Law Differently* (Department for Constitutional Affairs, April 2006).

59 Offender management caseload statistics (Home Office, December 2005).

60 *Sunday Telegraph* (18 June 2006).

The criminal justice system remains, in Tony Blair's candid admission, "the public service most distant from what people want".⁶¹ Rebuilding public confidence and tackling crime will require new and bold policy responses for each element of the criminal justice system. But better policing, the subject of this chapter, has a critical part to play.

Setting aside the imperative of tackling terrorism, which will not be considered in this analysis, the key issues for policing to 2010 can be summarised as:

- unacceptable levels of crime;
- the need for better police performance;
- increasing overall demands on the police;
- a tight financial regime; and
- the trend to centralised policing.

Unacceptable levels of crime

If the public took ministerial comments at face value, they could be forgiven for thinking that crime is no longer a problem, and that the real challenge is to convince us that England and Wales are low-crime countries with an improving criminal justice system.⁶²

This is simply not the case. Latest comparisons show that England and Wales have amongst has the highest crime rate in Europe – double the average.⁶³ Our citizens are more likely to be victims of crime than citizens of any developed country except Australia. The Cabinet Office Strategy Unit has conceded that this performance is a "weakness".⁶⁴

According to the British Crime Survey there were about 11 million crimes in 2004/05, but this covers only about half of the crime recorded by the police, excluding a huge number of crimes, notably those against children and against businesses, such as shoplifting. The Home Office itself admitted in 2000 that the official British Crime Survey figure might be between four and six times lower than the actual rate (taking account of and estimating for

61 *The Times* (15 May 2006).

62 "Despite the fact that most crime categories are falling, fear of crime is still too high and public perception is often at odds with reality. That is why we need to look again at the statistics and find out why people do not believe them" – Charles Clarke (Home Office press release, 26 January 2006).

63 "Police records of crime throughout Europe reveal that England and Wales had the fourth highest crime rate out of the 39 countries in the 2003 European Sourcebook of Crime, the latest figures available from the Council of Europe. After standardisation, our figure of 9,817 crimes per 100,000 population, was more than double the average of 4,333". (Dr David Green, Civitas, *Sunday Telegraph*, 25 June 2006).

64 *International Comparisons of Criminal Justice Statistics 2001*, Home Office statistical bulletin 12/03 (2003); international crime victim survey, 2001: "Weaknesses remain including high crime despite recent falls" – *Strategic Audit – Discussion Document* (Prime Minister's Strategy Unit, November 2003).

the crimes not surveyed by the British Crime Survey – especially crimes against children and sexual offences). Other criminologists, such as Richard Garside, have suggested that even a figure of 60 million crimes may be an underestimate.⁶⁵

The statistics also exclude antisocial behaviour, which may not be identified in the recorded crime figures or the British Crime Survey but which play a profound role in the public's sense of safety and social order. The Prime Minister has made the fight against antisocial behaviour a key focus of the government's programme for this parliament.⁶⁶ But the public still await an effective response to what has become a defining political issue.

As in health and education, the worst levels of crime are suffered by the most vulnerable in society. The charity Crime Concern has estimated that 40% of recorded crime in England and Wales takes place in 10% of neighbourhoods, predominantly the poorest ones.

As the Statistics Commission has recently said, the current stage of development of the crime statistics does not yet provide a truly robust measure that allows precise comparisons between places and over time. But however crime is counted, it is clear that crime is at unacceptably high levels and that violent crime and antisocial behaviour are wrecking lives and communities. Even if crime is down from its peak in the mid-1990s, it has plateaued at about ten times the rate of the 1950s.⁶⁷ Public concern over levels of crime and the poor and erratic performance of the criminal justice system is real and justified.

The need for better police performance

A MORI poll for the Home Office in spring 2005 found that public trust in the police had reached 58% – a record low. According to the British Crime Survey, the number of those saying that the police are doing a good or excellent job has fallen in the last decade from 64% to 49%.

65 Richard Garside, Director of the Centre for Crime & Justice Studies at King's College London, has written: "Official measures of crime vastly underestimate real crime levels." In particular, he highlights the vast amount of underreporting of sexual offences. Garside, R "If It's Broke, Don't Fix It" in *Whitehall & Westminster World* (April 2006); Garside, R *Crime, Persistent Offenders & the Justice Gap* (Crime & Society Foundation, 2004).

66 "Antisocial behaviour, in particular violent crime, remains at the top of the public's concerns, and rightly so, from petty vandalism and binge drinking, through to serious drug and gun crime, there are aspects of life today in Britain that are completely unacceptable" – speech by Tony Blair (2 September 2005).

67 Dr David Green, Civitas, *Sunday Telegraph*, 25 October 2006.

The police service must begin by accepting that this gap in trust derives from its performance, not mistaken public perceptions. Sir Ian Blair was plain wrong when he asserted last year that the police service is “pretty good” at catching criminals.

The Prime Minister himself has highlighted the problem of falling detection rates, pointing out that it has almost halved in the last 50 years. 47 per cent of all crimes were detected in 1951 but only 26 per cent in 2004/05.⁶⁸ The decline in detection rates has accelerated over the past decade. In its most recent report on police reform, the home affairs select committee showed that the overall detection rate has fallen from 29% in 1998 to around 23% in 2003/04; it has since risen slightly to 26% in 2004/05. In the London region, the detection rate is as low as 16%. Some have argued that changes in recording methods have caused the fall in recent years, but even if such changes are taken into account, the rate is too low.

Figure 1: Detection rates (%)

	1997/98	1998/99	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05
London region	25	22	16	15	14	15	16	-
England and Wales (excluding London region)	29	31	28	27	26	26	25	-
England and Wales	28	29	25	24	23	24	23	26

Source: Police Reform (home affairs select committee, February 2005); Crime in England & Wales 2004/05 (Home Office, 2005)

Not only are fewer than one in four crimes detected, meaning that there were at least 4 million undetected crimes in 2005, but police forces vary widely in their effectiveness. Detection rates for burglary vary from 8% to 43% and for robbery from 15% to 50%.

In evidence to the committee, the Association of Chief Police Officers questioned the emphasis on detection rates, arguing that the process of collecting evidence to prove a

⁶⁸ “Our Nation’s Future”, speech, 24 June 2006.

detection may not be needed for some criminals. It has since accepted, however, that improved detection rates will help to lower crime.⁶⁹ In fact, as the government has recognised in the 2004 national policing plan, improved detection is essential if the Home Office's key aim of reducing the justice gap is to be achieved.

The central goal of government policy on criminal justice has been to reduce the so-called "justice gap" – the crimes that are not brought to justice. The government target on narrowing the justice gap aims to increase the number of offenders brought to justice, and described this as "a vital benchmark of the success of the criminal justice system".⁷⁰ In 2002, Tony Blair launched the Narrowing the Justice Gap strategy with specific targets to improve the performance of the police and the Crown Prosecution Service, centred on improving rates of detection and conviction. The original document made clear the scale of the "gap":

*In 2000-2001, 5.17 million crimes were recorded, but only 19.8% of them resulted in an offender being brought to justice. This is the justice gap, the difference between the number of offences recorded and the number of offences for which an offender receives either a caution, a conviction or has the offence taken into consideration by the court. Between these two points, cases fall out of the system at every stage (this process is sometimes described as "attrition").*⁷¹

Yet progress has been very slow and the gap remains extremely wide. Out of a total of 5.6 million recorded crimes, only 1.13 million crimes were "brought to justice" in December 2004. The Home Office's target is that the number of crimes brought to justice should increase to 1.25 million by March 2008, an increase of only around 30,000 crimes per year. This is a woefully low target.

Others have shown that the justice gap is even wider. At the end of the last decade, of every 100 crimes committed, only 5.5% were cleared up and only 2.2% resulted in a conviction.⁷²

69 "We accept the need to increase the number of detections, as one of a number of tools to continue to reduce crime and the fear of crime. We recognise that victims deserve to see offenders brought to justice for crimes committed" – Chris Fox, Association of Chief Police Officers news release (9 March 2005).

70 *Narrowing the Justice Gap* (Crown Prosecution Service, 2002).

71 *Ibid.*

72 Garside, R *Crime, Persistent Offenders & the Justice Gap* (Crime & Society Foundation, 2004).

While other agencies will also help to improve conviction rates, including the courts and the Crown Prosecution Service, the police will play a central role. A recent analysis showed that not only are conviction rates low, but also they have fallen sharply over the last two decades, including rates for the most serious violent crimes.⁷³ For example:

- In 1980, 29% of recorded life-threatening attacks reportedly resulted in a conviction. In 1997, 14.8% of such attacks did so, and in 2004/05, 9.7%.
- In 1980, 22.7% of robberies reportedly resulted in a conviction. In 1997, 10.2% of robberies did so, and in 2004/05, 8.9%.
- In 1980, 10.6% of burglaries reportedly resulted in a conviction. In 1997, 3.1% of burglaries did so, and in 2004/05, 3.6%.

The sheer level of crime does not make it impossible to tackle, as too many commentators imply. A high proportion of crime is committed by a relatively small number of people. In its five-year plan, the Home Office estimated that half of crimes measured by the British crime survey are committed by 100,000 people, and only 5,000 criminals account for 9% of crimes – around 1 million offences. More effective action against persistent offenders would yield disproportionate results.

Spending on the police is now over £14 billion per year, or over £550 a household – representing 50% of government spending on public order and safety. The police service has historically been well resourced. But as David Cameron has argued:

*There cannot be a blank cheque. More resources must be matched by better performance. The public expects value for money.*⁷⁴

Increasing demands on the police

If the police already face a significant challenge in dealing with high levels of crime, they will face added pressures over the next five years.

The terrorist threat is likely to remain at the top of the agenda for police forces and other agencies. At the same time, it is now widely recognised that police forces' weaknesses in dealing with level 2 crime must also be addressed. HM Inspector of Constabulary, Denis O'Connor, found that "very few forces" currently meet the required standard to deliver

⁷³ *The Observer* (28 May 2006).

⁷⁴ Speech to the Dalston Youth Project, Hackney (16 January 2006).

“protective services” to tackle level 2, or cross force border, serious crime.⁷⁵ The Association of Chief Police Officers has estimated that less than 6% of the over 1,500 organised crime groups active at force or regional level are actually targeted by police on an annual basis.⁷⁶

Policing has tended to be susceptible to the fashion of the day. In the 1970s, *Dixon of Dock Green* gave way to *Z Cars* and the streets were denuded of police officers. Today, just as the police service is rediscovering the value of neighbourhood policing, a new imperative to deal with serious crime emerges. The challenge now will be to “close the gap”, to use O’Connor’s infamous phrase, without depleting the neighbourhood policing which the public so values.

As bonds in society have weakened, the police are increasingly required to deal with low-level crimes such as antisocial behaviour and nuisances, intervening in situations where in previous generations peer or family pressure would have acted. The government has responded with a “Respect” agenda which will itself place a considerably greater burden on the police. The Respect action plan, published in January 2006, promised more “summary” justice – in some cases dispensed immediately by police officers – to bypass the courts.⁷⁷ A little-noticed paper published by the Lord Chancellor, Lord Falconer, in April reiterated this proposal, stating that “non-judicial” summary justice through the use of fixed-penalty notices and conditional cautions would play “a full and increased part”.⁷⁸

This trend will inevitably increase the burden on police forces. Dispensing summary justice will also potentially create further tensions in the relationship between the police and the public, and require high standards of judgment, discretion and training on the part of individual officers.

Finally, in common with all public services, the police will face rising demands from an increasingly articulate society. As *Reform* has noted:

75 “Central to this work has been the completion of a national assessment of the protective services provided by police forces above [basic command unit] level ... The findings are stark – very few forces assessed fully meet the required standard” – O’Connor, D *Closing the Gap – A Review of the “Fitness for Purpose” of the Current Structure of Policing in England & Wales* (Her Majesty’s Inspector of Constabulary, 2005).

76 *Draft ACPO Vision for Workforce Modernisation – The Missing Component of Police Reform* (Association of Chief Police Officers, 2005).

77 “We will ensure that the justice system will be swift and proportionate in its responses and sanctions to antisocial behaviour. We will consider strengthening summary powers to bring about immediate protection for those suffering antisocial behaviour and focus on civil measures which can be used to bring rapid relief to communities while maintaining the necessary legal safeguards” – *Respect Action Plan* (Home Office, 2006).

78 *Doing Law Differently* (Department for Constitutional Affairs, April 2006).

Today people's expectations of service are rising, and their willingness to accept their lot without complaint or to put up with substandard service is falling. These changing expectations are fuelled by the public's experience of services which are not provided by government. Technological revolution and rapidly rising levels of disposable income have created a new nation of empowered consumers ... As Alan Milburn observed: "We are in a consumer age whether people like it or not."⁷⁹

The public will continue to have little choice over policing, which will largely remain a public-sector monopoly; but they will demand more voice in the delivery of the service for which they are paying increasing sums.

A tight financial regime

The police service faces years of very tight spending restraint for the rest of this decade. For the years 2006/07 and 2007/08, the Association of Police Authorities and the Association of Chief Police Officers have estimated that a deficit of £250 million will exist between demands and funding levels, despite real-terms funding increases.

To this deficit must now be added the potential cost of the amalgamation of police forces. The Association of Police Authorities has estimated that the cost of amalgamation would be £400 million; an internal Association of Chief Police Officers paper has put the extra cost at £600 million.⁸⁰

For the years after 2007/08, the Home Office already knows that it faces an even tighter funding settlement than the National Health Service. Whereas the NHS will enjoy small real-terms spending increases after 2007/08, the Chancellor's 2006 Budget announced that the Home Office's budget will be frozen in this period:

Between 1997/98 and 2007/08, spending by the Home Office on crime, justice, security and communities will have risen by 75% in real terms. To lock in this increased funding, Budget 2006 announces as part of the [comprehensive spending review] an early spending settlement for the Home Office which maintains the Home Office's 2007/08 departmental expenditure limit in real terms over the years 2008/09, 2009/10 and 2010/11. In the context of continued global uncertainty and security challenges at home, this funding agreement provides the Home Office with the long-term certainty needed to lead the fight against crime and terrorism. This settlement guarantees that the Home

⁷⁹ *Manifesto for Reform* (February 2005).

⁸⁰ *The Daily Telegraph* (19 May 2006).

*Office will be able to retain the efficiency gains from its ambitious value-for-money programme, including police force reform and restructuring, for reinvestment to deliver further improvements in front-line policing.*⁸¹

An internal report by the chairman of the Association of Chief Police Officers' finance and resources committee, Dr Tim Brain, Chief Constable of Gloucestershire, has warned that, against the background of spending restraint and triple counting of savings, police amalgamations will contribute to a funding gap "equivalent to holding (deleting) 25,000 police officer posts nationally".⁸² The government's own record on public-sector reorganisation, for example the reorganisation of primary care trusts and NHS strategic health authorities, provides ample evidence of the dangers of costs without efficiency gains to match. Indeed, in 2004 a joint Home Office and Downing Street Strategy Unit report warned:

*Evidence from other sectors suggests that mergers can be a costly, protracted exercise which does not always deliver expected benefits and inevitably causes distraction for management and staff.*⁸³

The police will not only face the significant challenge of depleting resources; they will also be subject to time-consuming and largely unnecessary reorganisation – and all at a time when the demands on the service are likely to increase.

The trend to centralised policing

Ministers like to give the impression that policy will reconnect police forces and their communities. In his foreword to the Home Office's five-year plan, for example, the Prime Minister's first priority for the department was to revive the idea of community policing for a modern world. The plan itself promised to give the public a "real say" in local policing, including at neighbourhood level. But on closer inspection, the underlying policy reality is actually a centralisation of decision making.

This approach directly contrasts with new policy themes in the NHS and education. The government has introduced the Education & Inspections Bill to give schools more autonomy, and has introduced foundation hospitals for the same reason; yet, ironically, less autonomy for chief constables and, instead, ever-closer direction by ministers and

81 *Budget 2006 – A Strong & Strengthening Economy – Investing in Britain's Future* (HM Treasury, 2006).

82 *The Daily Telegraph* (14 May 2006).

83 *The Daily Telegraph* (20 March 2006).

their officials is now the backbone of their approach to policing.

The 2002 white paper on policing included several centralising measures, including:

- the introduction of a national policing plan;
- the establishment of a Police Standards Unit based in the Home Office;
- the establishment of a National Centre for Policing Excellence to contribute to training, leadership and professionalism; and
- powers for the Home Secretary to intervene to suspend a chief officer or to require improvement in performance.

This trend to central direction has been the subject of increasing criticism. The home affairs select committee said: “We share the general concern that central interference in the running of individual forces is not desirable.”⁸⁴ The 2004 white paper itself admitted that the Police Standards Unit “represents a departure in terms of how the centre does business with the police service”.

The Police & Justice Bill represents a clear continuation of the trend. It gives the Home Secretary wide powers to prescribe the membership of police authorities, and new powers to intervene in police forces. It will scrap the statutory duty on police authorities to determine local policing objectives, replacing it with additional powers for the Home Secretary. It will put basic command units on a statutory footing: an apparently unnecessary provision, but one that the Association of Police Authorities believes may be the precursor to more direct Home Office control. The association has warned:

These provisions represent a fundamental constitutional change, and a significant shift in the balance of power within the tripartite relationship.

The bill would also establish another central body in the form of the National Policing Improvement Agency, which will, according to the Home Office, “support national implementation of the Home Secretary’s key priorities for the police, as set out in the annual National Community Safety Plan”. Yet the Police Standards Unit will remain, in spite of the Association of Chief Police Officers’ warning that there is “considerable overlap and duplication of resources” between the Police Standards Unit, the National Centre for Policing Excellence (to be subsumed in the National Policing Improvement

⁸⁴ Police Reform Bill report by the House of Commons home affairs select committee (May 2002).

Agency), the central Home Office and the Association of Chief Police Officers itself.⁸⁵ Along with inspection by Her Majesty's Inspectorate of Constabulary and audit by the Audit Commission, police forces face an unprecedented degree of central inspection, regulation and direction.

Not only will this centralisation of policing tend to be ineffective and consume resources,⁸⁶ it is also insidious. It will further weaken local accountability of the police and increase the ability of ministers to direct forces. Both the Association of Chief Police Officers and the Association of Police Authorities have expressed alarm about the direction of policy:

Effective policing is dependent on the consent and support of the public. This support is conditional on the demonstrable independence of policing from partisan political interests. It is essential that the local nature of policing is preserved, as it is here that policing has its roots, and that is why local accountability between police authorities and chief constables is crucially important and should not be undermined by greater central control.⁸⁷

The trend will be reinforced by the amalgamation of police forces. Vast regional forces will inevitably make chief constables more remote from the local communities that they are meant to serve. Twenty chief constables, rather than the current 43, will be more easily directed by a Home Secretary who will in effect appoint them. Finally, the government's agenda of centralisation is confirmed by a plan to create a national policing board, with the Home Secretary as chairman. Yet the recent record of the Home Office is hardly likely to inspire confidence that the management of policing is safe in its hands.

When he was Shadow Home Secretary, Tony Blair warned against giving the government greater control of police forces, arguing that police force amalgamations were "a denial of constitutional principle". They were "not only wrong in themselves but will harm the fight against crime in our local communities".⁸⁸

85 Police Reform (House of Commons home affairs select committee, March 2005).⁸⁶ "In response to the priority given by the Prime Minister, teams and units have been set for almost every conceivable purpose ... It is a picture of order collapsing, not order restored. Public sector systems have seldom looked more disorganised. No one can seriously expect an approach that results in proliferation of bodies and muddle on this scale to deliver efficiency. Ministers cannot absorb or respond to the sheer volume of work produced by these bodies. They are no substitute for incentivising managers and giving them the freedom to find their own means to meet the targets. Far from improving the delivery of frontline services, all this activity at the centre is likely to lead to higher cost caused by tangled and confused reporting lines and additional burdensome reporting requirements" – Commission on the Reform of Public Services *Spending without Reform (Reform, 2002)*.

87 Joint statement (20 June 2006).

88 Police Foundation lecture (14 June 1994).

A key challenge for reform will be to show that localised, responsive policing will never be achieved while it is essentially dictated from Whitehall – and to find a way to restore power and responsibility to local communities.

Policy responses

Police reform must be radical, but it should remain underpinned by certain fundamental principles: for example, that only warranted officers should have the power of arrest and that police forces should be operationally independent. Given this foundation, however, the policy framework needs to undergo real change if the challenge of the rest of the decade is to be met.

The key themes of that reform should be:

- better police performance;
- meeting the public demand for a more visible police presence; and
- real accountability.

Better police performance

None of the challenges described above will be met without better police performance. In common with other public services, most of the public spending on the police is on its people. Nearly 80% of the police budget goes on salaries and pensions.⁸⁹ Because of the tight financial environment, greater performance will demand greater productivity. There is considerable evidence that significant opportunities for greater productivity exist:

- Earlier this year, the Home Office strategic policy team reported that only 1% of police time on average is spent on proactively reducing crime.⁹⁰
- In 2001, the Home Office commissioned PA Consulting to survey the use of time of police officers in seven basic command units in England and Wales. The study found that “police officers are spending almost as much time in the police station (43.1% of their time) as they are on the streets. For five hours a day, over 50% of the officers on a shift are in the station.”⁹¹ It also found that only 17% of police officer time is spent

89 *Policing Matters: Recruitment, Training & Motivation* (Politeia, 2005).

90 “The transformation of the police service into a thoroughly problem-orientated service will greatly enhance its potential to reduce crime ... A targeted and problem-orientated approach is most effective – including identifying the causes of problems and working with other agencies to address them. But currently most police are still devoted to reacting to incidents and only 1% of police time is spent on proactively reducing crime” – Home Office strategic policy team *Reducing Crime – An Overview Analysis* (Home Office, 2006).

91 *Diary of a Police Officer*, police research series 149 (Home Office, 2001).

on reassurance patrol, and that patrols are often conducted in pairs rather than singly, reducing the visibility of the police.

- The Association of Chief Police Officers has estimated that the current structure of the police workforce – which is, in the organisation’s view, “in many respects obsolete with inefficient and restrictive practices causing waste and suppressing latent capacity” – means that the police service is 20% less capable than the service that the public could receive for current levels of taxation.⁹²
- Surrey police have shown that approximately 70% of officers’ time is spent on simpler tasks, readily dealt with by a second tier of police staff such as police community support officers or investigative assistants.⁹³

Part of the problem is simply bureaucracy. As the President of the Association of Chief Police Officers, Ken Jones, has said: “We need to restore the ability of cops on the street to enforce the law in an efficient and effective way. It has got horribly bureaucratic, horribly formulaic and Byzantine”⁹⁴. The Home Office has made reduced bureaucracy a priority throughout this decade but the gains have been unremarkable. The most recent House of Commons select committee report on police reform observed that there had been very little evidence of changed procedures on the front line.⁹⁵ Better use of technology could help to cut bureaucracy; but a serious attack on it will also require tough political decisions about the value of dated or counterproductive police practices. For example, the requirement for police officers to record every stop they make – filling in a foot-long form which takes seven minutes to complete – has become an unnecessary barrier to effective policing.

Equally importantly, there are persuasive examples of local forces improving performance and productivity by developing their workforce so that the appropriate manpower can tackle tasks appropriate to them. For example:

- In relation to offender management and custody, Northumbria police have introduced an integrated criminal justice process by developing a range of complementary police support officer roles. A 7% increase in constable strength at the front line was achieved by releasing police officers from custody and associated duties. Performance

⁹² *Draft ACPO Vision for Workforce Modernisation – The Missing Component of Police Reform* (Association of Chief Police Officers, 2005); *Modernising the Police Service: A Thematic Inspection of Workforce Modernisation – The Role, Management & Deployment of Police Staff in the Police Service of England & Wales* (HM Inspectorate of Constabulary, 2005).

⁹³ Rowley, M *Police Reform – The Surrey View – The Third Age of Policing, Transforming from Craft to Profession* (Surrey Police, 2005).

⁹⁴ *The Times*, 24 June 2006.

⁹⁵ *Police Reform* (House of Commons home affairs select committee, March 2005).

has improved, with higher file quality and timeliness; custody-related complaints have fallen by half; and detection rates, which have been a source of concern nationally, have increased by up to 14%.

- Similarly, in Surrey the police CID office has been transformed to improve investigation. The mix of staff was altered to include 60% of police support officers working with constables in teams led by advanced detectives, which has delivered a better service. It has investigated 35% more crime, halved investigative delays, and tripled follow-up with victims. Moreover, it has improved results. Twenty-five per cent more offenders are caught, with greater efficiency. The use of support officers to perform roles that uniformed officers had undertaken can dramatically increase productivity.
- Humberside police have reconfigured their major incident rooms by employing police support officers in key roles. That has improved quality, created increased capacity and reduced costs by 43%.
- West Yorkshire police have integrated their investigative support officers and investigation officers into their homicide and major incident teams, again increasing capacity and significantly reducing overall costs.⁹⁶

The police have become increasingly accustomed to partnership with private companies. Private security firms have been operating prisoner transport and managing custody suites for some time, freeing up police officers for frontline duties. Chief constables should be empowered to extend this practice into areas of other time-intensive police duties that do not necessarily demand sworn officers, for instance, the guarding of crime scenes or finger-print identification. Contracted companies could even provide a mobile “street-to-suite” capability that could further increase the time sworn officers are able to spend on patrol.

The agenda of workforce modernisation will be at the heart of better police performance. It will demand a new vision from the Home Office that is based on police capability rather than crude measures of capacity. It has the potential to free officers to focus on more appropriate tasks and to allow police staff in a new variety of roles to take on the high-volume, repetitive aspects of policing.

Driving up police performance will also require the service to recruit high-calibre officers who will go on to provide leadership of the service during what will be one of its most,

⁹⁶ All examples taken from *Draft ACPO Vision for Workforce Modernisation – The Missing Component of Police Reform* (Association of Chief Police Officers, 2005).

if not the most, demanding periods. It has been estimated that less than 10% of police officers are graduates.⁹⁷ A legitimate case is made that future police leaders should have gained experience on the beat. But in a more diverse and increasingly specialised police service there is also a case for improving the ability of high-calibre individuals to join the service at later stages in their career. Employment conditions, including pensions, should allow multiple entry and exit points from the service.

Workforce modernisation will also demand a new emphasis on training. A recent Police Federation survey found that 44% of inspectors had received no training for their role. Professional training and personal assessment will be particularly important if pay is linked to the performance of officers and their skills. Experienced constables should be rewarded, recognised and retained, perhaps by creating a new rank of "senior constable", which could be particularly valuable in the exercise of non-judicial summary justice.

Lastly, police performance should be measured by robust, independently produced and independently measured crime figures. At a local level, policing reform in New York and Middlesbrough has shown that accurate and speedy information on crime at a local level contributes to both greater accountability and effectiveness. At a national level, funding and policy decisions should be partly guided by good data on outcomes. But as the Statistics Commission has warned, the Home Office has "sought to contain the flow of statistical messages ... such control is almost always counterproductive in terms of public confidence".⁹⁸ The Government has now conceded a review of the compilation of crime figures. It is essential that, as the Commission proposed, the production and release of crime statistics and related analysis should in future be at arm's length from government. The political manipulation of crime figures must end if we are to be sure what is really happening to crime in this country.

Meeting the public demand for a more visible police presence

The public are right to want a more visible police presence on their streets. The number of crimes per police officer has risen dramatically, from 11 in the 1960s to 44 today. In England and Wales in 2000, we had 237 police officers for every 100,000 population; the French had 396, or 67 per cent more. But France had a much lower crime rate, 6,405 crimes for every 100,000 people, 35 per cent lower than ours.⁹⁹

⁹⁷ *Police Sector Skills Foresight* (Police Skills & Standards Organisation), p50.

⁹⁸ "There are questions over the adequacy of the available data ... We think there is a need to explore alternative ways to convey trends in crime concisely and unambiguously – whilst being mindful of the need to avoid adding to public confusion" – *Crime Statistics: User Perspectives*, interim report of the Statistics Commission (December 2005).

⁹⁹ Dr David Green, Civitas, *Sunday Telegraph*, 25 June 2006.

Where neighbourhood policing has been introduced effectively, with real changes in police working in response to local concerns, public confidence in the police has risen sharply.¹⁰⁰

Successive governments have increased police numbers, and at 140,000 they are now at record levels. In addition, community support officers, introduced in 2002, will be increased to 24,000 by 2008 – four times the current number. There is legitimate debate about the merits of recruiting community support officers rather than police officers, and a more rigorous approach to their deployment is certainly needed. A 2006 Home Office study could find no measurable evidence that they reduced antisocial behaviour, for example.¹⁰¹ Nevertheless, community support officers are broadly popular with the public and have enabled a more visible uniformed presence on the streets. They have also had the beneficial effect of increasing the recruitment of ethnic minorities where this has proved difficult in relation to police officers.¹⁰²

It makes sense to take this reform further. The police family should be further extended, not just with community support officers but with new forms of uniformed presence on the streets. A number of councils, such as Westminster and Middlesbrough, have introduced wardens to act against antisocial behaviour. Westminster currently has the largest warden scheme in the country, with the borough employing over 100 city guardians to patrol as street wardens in 10 ward-based groups – with these tied in with the Met's own local patrols. A mobile warden capacity to tackle crime and disorder hotspots is also being developed.

The wardens work closely with the Met's Safer Neighbourhoods teams – which include a mix of three police officers and three police community support officers – but are not designed to replace them. Instead, they work to supplement the work of the police by enhancing the capacity of the neighbourhood-policing approach, centred on beat-based policing and community engagement which improves public confidence and local intelligence and also enables better co-ordination of council responses to problems such as broken street lights, abandoned cars and graffiti. Although they have no powers of arrest and are not permitted to intervene in violent confrontations, they are linked to the

100 *Neighbourhood Policing – Progress Report* (Home Office, 2006).

101 *A National Evaluation of Community Support Officers* (Home Office, January 2006).

102 "Over 14% of PCSOs are from minority ethnic backgrounds, compared with 3.5% of police officers, and over 40% of PCSOs are women, compared with only 21% of officers. In the Metropolitan Police Service over 32% of PCSOs are from ethnic minorities and over 30% are women" – *Neighbourhood Policing – Progress Report* (Home Office, 2006).

central CCTV unit and so can help the police detect crime, as well as acting as witnesses and improving the speed of the police response.

The wardens are designed to help the police respond more quickly to problems, especially with respect to the tell-tale markers of community breakdown identified by the “broken windows” policing approach including poor lighting, abandoned vehicles, vandalism, litter, graffiti and other quality-of-life concerns. There have been reductions in graffiti and other quality-of-life problems in Westminster since the introduction of “city guardians”, and survey-based results have shown a positive reaction by residents, who like the reassuring presence of wardens and the role they play in addressing local concerns.

The total government grant for wardens as part of the street crime initiative totalled £91 million, but this expired in March 2006. Nevertheless, some councils have secured local area agreements that have locked in funding for wardens beyond this date as part of the neighbourhood renewal strategy promoted by the ODPM. Westminster Council has had funding agreed for roll-out of its city guardians scheme until 2009. These funding agreements have secured a future for wardens as a permanent feature of a local, diversified policing presence, alongside police community support officers.

Empowering councils to deploy community wardens on a wider scale could be a powerful way to increase a uniformed presence on the streets and to give communities a direct stake in neighbourhood policing. Such a move would be consistent with current trends in funding: the amount of police expenditure financed through council tax has almost doubled, in real terms, between 1996/97 and 2004/05.¹⁰³ As central funds for community support officers taper, councils are being asked to pick up the bill for their continuing employment. In return, communities should be empowered to control significant elements of relevant budgets and secure the level and type of policing that they want.

There will inevitably be local variations, which will alter the right balance of police officer, community support officer and warden. Some forces, like Thames Valley, have embraced the use of community support officers more enthusiastically than others. But the Home Office has ring-fenced central funding for community support officers, mandating their deployment in a manner that has represented a very significant loss of discretion for police authorities and chief constables. This is the wrong approach. Decisions on the right mix of deployment should be taken by chief constables and the communities

103 *Police Funding*, House of Commons library note (January 2006).

to which they are accountable, not by the Home Secretary. This will be an important reform, reflecting one of the Conservative Party's guiding beliefs in trusting people.

The Police Federation and many of the officers whom they represent have expressed concern that the introduction of community support officers will threaten police numbers. But community support officers and wardens should not replace police officers; they should supplement them. Police numbers will be increased as resources allow and workforce reform will release resources to fund police officers on the beat. Nevertheless, community support officers and wardens will be a significant addition to the police family, helping to provide the deterrent presence and reassurance which the public wants. Police officers, community support officers and wardens should be clearly different but important members of one police family, with differing powers and roles. "Mission creep" of community support officers, and the demand that they should be given more powers, should therefore be resisted.

Whatever the mix, what the public want is uniformed officials who patrol actively; who are willing to intervene, confront problems and challenge antisocial behaviour. It does not command public respect when officers or community support officers patrol in pairs, talking to each other, rather than engaging with their communities. If the extended police family is to win public support, it is essential that all of its members demonstrate their value in the proactive policing that the public still feel they are not receiving.

The Prime Minister has made the absurd claim that "without summary powers to attack antisocial behaviour ... it won't be beaten ... The scale of what we face is such that whatever the theory, in practice, in real every day street life it can't be tackled without such powers". But one of Sir Robert Peel's cardinal principles of policing was that the test of the effectiveness of policing is the absence of crime and disorder rather than any activity on the part of the Government or police forces. Tackling antisocial behaviour requires, first of all, a more visible uniformed presence on the streets.

Real accountability

Giving citizens an effective financial stake in the provision of their local policing will be a powerful step towards the genuine empowerment of communities to ensure the safety of their neighbourhoods. Patient and parent power are familiar ambitions for reformers. But because these are actually personal services, whereas policing is a true public good, the idea of people power when it comes to policing has been anathema for successive generations of national politicians.

Yet the link between the constable and the citizen is the foundation of policing by consent. As Sir Robert Peel said in 1829, “the police are the public and the public are the police”. Rebuilding that link will be a vital step to restoring public confidence in the modern police service.

The government has found it easier to discover the rhetoric of citizen empowerment than to deliver the policy. David Miliband has spoken persuasively of “double devolution”, where power is devolved not just to local government but also to citizens themselves.¹⁰⁴ In fact there has been less double devolution than doublespeak. It is self-evident that the accrual of power to the centre and the creation of regional police forces have run against at least one element of this purported devolution.

The devolution of power to the community or individual level has been even less convincing. Ministers set great store, for example, by the provision of local police officers’ email addresses and telephone numbers to the public, as though such basic requirements of proper community relations were a significant advance.

Similarly, the proposed “community call for action”, set out in the Police & Justice Bill, is a cumbersome and bureaucratic mechanism of last resort for dissatisfied community groups, enabling them to arraign police commanders through the intervention of local authorities.¹⁰⁵ But if local commanders are required to follow national priorities regardless, the procedure is at best a distraction, at worst a gimmick. As David Cameron has said:

*This is phoney accountability. It gives the illusion of community empowerment, while giving communities no formal power at all over local policing. It’s all about public relations, not police performance.*¹⁰⁶

104 “First, the devolution of budgets down to individuals ... opens up a different form of accountability: direct to the citizen, rather than via the state ... Second, the devolution of power down to the neighbourhood level opens up a major opportunity for the voluntary sector ... As we devolve power down to new neighbourhood structures and build on neighbourhood management, we should look at the potential for neighbourhood-based grant giving, for instance, through citizens’ juries, community empowerment networks or community foundations” – speech to the National Council for Voluntary Organisations annual conference (21 February 2006).

105 “As we roll out neighbourhood policing across England and Wales, we will publish more police performance data ... But just as we need information on the ground for consumers to respond, we need also far better triggers for action so that local people who find the services unacceptable and in need of change, can secure change. The Police and Justice Bill has a ‘Community Call for Action’, in this case the ability of councillors to trigger change in law and order services” – Gordon Brown, speech to the 21st Century Public Services: Putting People First Conference (6 June 2006).

106 Speech to the Dalston Youth Project, Hackney (16 January 2006).

The community call for action highlights the problem of reconciling the different potential levels of accountability at neighbourhood, crime and disorder reduction partnership, basic command unit and force levels. The fashionable view in the police service and government is that the enhancement of basic command unit status, and an increasing responsiveness of basic command unit commanders to their communities, will provide sufficient local accountability to compensate for the creation of more remote strategic forces whose larger police authorities will inevitably dilute local influence. But basic command unit commanders currently possess only tactical, not strategic decision-making powers. Ultimately they answer to their chief constables, not to their communities. Changing that, for instance by making basic command unit commanders directly accountable to local communities, could fundamentally alter the balance of power in police forces and raise the question of who actually runs a force.¹⁰⁷

Others suggest democratising crime and disorder reduction partnerships, partly through direct election of local residents.¹⁰⁸ This is an attractive idea. The creation of 373 crime and disorder reduction partnerships (community safety partnerships in Wales) has had a beneficial effect in focusing the whole community on the challenge of reducing crime, with some very effective local schemes under way which are having an impact at the neighbourhood level. The partnerships at local level between health authorities, the police, councils, fire brigades and voluntary groups shows that the principle of local action works. As the Audit Commission recently argued: "Making the links between places and people most at risk from crime and antisocial behaviour enables [crime and disorder reduction partnerships] to be more discerning about what action to take and where."

Crime and disorder reduction partnerships also help to reinforce the concept of community policing where police officers and community support officers are embedded in local communities as much as possible, working in partnership to gather the street-level intelligence that experience of "broken-windows" policing in the United States has shown is needed for effective crime prevention and improved rates of detection.

However, there are dangers that the current crime and disorder reduction partnership model will be undermined by local government reorganisation and police force amalgamation. Crime and disorder reduction partnerships are best placed to deal with local factors associated with crime and for addressing the very wide variation in crime rates across the

107 In addition, the number of basic command units is falling from 389 in 1997/98 to 254 in 2005.

108 See *A Force for Change – Policing 2020* (Demos, April 2006).

country. The importance of local variation cannot be overstated. Not only is there more crime in areas of high deprivation, and in cities over rural areas, but crime rates also vary between urban centres, and as the Audit Commission's recent analysis of crime at a local level suggested, crime rates can vary dramatically within council wards in the same city and even between adjacent streets in the same ward.¹⁰⁹

The Audit Commission's report into crime and disorder reduction partnerships argued that central government should "ensure that in the move to new strategic police authorities and forces the emphasis on providing neighbourhood solutions, with a focus on performance improvement at the neighbourhood level, is maintained" and shift the "focus to improving services at the neighbourhood level".

The Lyons review of local government finance and the impending local government reorganisation is likely to further jeopardise the position of crime and disorder reduction partnerships, due to the temptation to correct for inconsistent boundaries with the new council layouts by enlarging crime and disorder reduction partnership areas and therefore breaking the link with local communities.¹¹⁰

There are two further problems with relying on enhanced local accountability at the sub-strategic level. First, there is a confusing array of bodies involved, with the inevitable acronyms to match: BCUs (basic command units), CDRPs (crime and disorder reduction partnerships), LATs (local action teams), LSPs (local strategic partnerships), COSCs (council overview and scrutiny committees). Most of these are unknown to the public and there is clearly a danger of bureaucracy and overlap.

Second, strategic police forces themselves will still – at least notionally – answer in part to police authorities. The authorities have some advantages, not least in including council representation and that of independent magistrates. But they exercise weak accountability in relation to chief constables, and they are unknown to the general public. The creation of more remote police authorities to match strategic forces, in a smaller ratio to local electors, will further weaken their position in relation to the Home Secretary and undermine their legitimacy.

109 *Neighbourhood Crime & Anti-Social Behaviour* (Audit Commission, May 2006).

110 *Review of the Partnership Provisions of the Crime & Disorder Act 1998 – Report of Findings* (Home Office, January 2006).

A more radical reform will be needed to enhance local accountability. Direct elections, either of police authorities¹¹¹ or of an individual to replace authorities (a commissioner or sheriff), to whom chief constables would be accountable, would transform the relationship between police forces and their communities. In the words of Direct Democracy, a movement committed to making localism the core of the Conservative Party's platform:

*Sheriffs would appoint and dismiss chief constables. They would set their own targets for the force, make their own Policing Plans, and, crucially, control their own budgets. Where there is a directly elected mayor whose jurisdiction is congruent with a police force area (currently only London) the mayor would exercise the functions of the sheriff. Ken Livingstone would acquire control over the police: and if he didn't cause crime to fall, that would be the end of Ken Livingstone.*¹¹²

In a recent policy paper, the Assistant Chief Constable for Surrey police argued that successful police reform must be accompanied by wider reforms to the system of prosecution. He pointed to the direct accountability of local government services and the prosecution authorities to US city mayors as being part of a successful formula in reducing crime.¹¹³ There are already important synergies, and overlap, between crime and disorder reduction partnerships and the 42 local criminal justice boards¹¹⁴ in England and Wales. It could make sense to make the local criminal justice boards accountable to the control of the sheriff or commissioner, so joining up the delivery of criminal justice in each area and particularly to enable focus on dealing with repeat offenders.

Senior police officers tend to express concern about enhanced local accountability, fearing that it will compromise their independence. But the existing "tripartite" balance and the independence of chief constables has already been seriously undermined by the government in its assumption of power to the centre. Greater local accountability need not infringe on the principle of operational independence of chief officers, which should

111 This was proposed by the current government – see *Policing: Building Safer Communities Together* (Home Office, 2003).

112 www.direct-democracy.co.uk. See also below.

113 "Government policy puts a disproportionate focus on the police to tackle the ills of the UK as a high-crime western society ... We have failed to learn the key lessons of American cities such as New York and Chicago: local government needs to be as accountable for neighbourhoods and crime as the police, punishment needs to be more effective, public prosecutors need to be as accountable for convictions to police commanders, etc. Reform for these institutions is at least as critical as it is for the police" – Rowley, M *Police Reform – The Surrey View – The Third Age of Policing, Transforming from Craft to Profession* (Surrey Police, 2005)

114 Membership of local criminal justice boards comprises police chiefs, the Crown Prosecution Service, the court service, youth offending teams, prisons and probation.

be legally enshrined. While police forces should answer to their communities over strategy, local influence should not extend to specific police operations or operational decisions.

The quid pro quo for greater management freedom for chief officers is stronger accountability at the local level. Forces cannot simply be left to their own devices. In an age of consumer power and increasing demands for institutional accountability, police chiefs must answer to someone. The solution is to restore the proper balance between local and central influence.

Some powers will have to be reserved to the Home Secretary, such as for instance to co-ordinate policing in exceptional circumstances such as a national emergency. But these should be minimal and closely defined. Some national policing organisations, such as the new National Policing Improvement Agency, could be retained, but only in a new guise, with ownership transferred to police forces themselves. Most of the apparatus of central control of policing should be swept away.

The fight against serious crime is increasingly seeing national policing *co-ordination* give way to national *agencies*. Over the next few years the success or otherwise of the new Serious Organised Crime Agency will become clear, and this – together with the scale of the terrorist threat – will inform a debate about whether counterterrorist policing activity should continue to be co-ordinated between forces (led by the Metropolitan police), or whether a new national agency is required to lead it. Greater local accountability for forces will make the development of national crime-fighting agencies less contentious, because they will not be the foundation of a national police force. But public confidence in them will depend on strong accountability to central government and proper parliamentary oversight of their operations.

An independent inspectorate of constabulary should be retained to guard against corruption and maintain standards. But this should be significantly strengthened and fully separated from police forces and the Home Office. The relationship between all three has been too cosy. The inspectorate needs to become in part an economic regulator, ensuring value for money as well as monitoring standards.¹¹⁵ It needs to be less a candid friend to police forces and more an outspoken champion of the public interest.

¹¹⁵ See *Reform's* proposal for "Ofcop" (*A Better Way* [Reform, 2003]) and Demos' similar proposal for "OfPol" (*A Force for Change – Policing 2020* [Demos, April 2006]).

While communities will gain a financial stake in policing at the most local level, direct elections will give electors a stake in policing at the strategic level. A new settlement for the police will exchange central direction and intervention for management autonomy and clear accountability. This is a radically different agenda to the one that the government is currently pursuing.

A new direction

The ideas in this chapter represent a new direction for policing policy. They subscribe to neither of the two driving forces in government policy, that public safety can only be achieved through a combination of greater legislative effort, and tighter central political control. Nor do they accept that existing levels of crime are inevitable.

Instead they seek to strengthen the roots of police forces in their local communities, to safeguard policing by consent and to build on positive developments such as neighbourhood policing. They are realistic about the amount of extra resources that the police may acquire, and they seek to refocus priority not on police structures but on capabilities, giving new impetus to workforce modernisation.

The new thinking on public-sector reform is based on localism, on citizen empowerment and on value for money. The key challenge for the next five years will be to apply these principles to policing, driving a step change in performance and rebuilding public confidence in one of our most important public services.