

Six types of public service

The crude public sector good private sector bad which dominates much opposition party thinking is no reflection of the reality of life.

Some years ago I wrote about how we could better characterise and assess public services. I proposed assessing each with three main questions:

Are they competitive or monopolies?

Are they owned and run by the state or by private individuals and companies?

Do they charge customers for their service or are they offered free to users?

These questions reveal that there is more to life than an all public or an all private service.

The two types that get closest to what the public v private thinkers have in mind are

1. A public sector provided monopoly service provided free to users using public sector employees and equipment Defence is the nearest to this model
2. A private sector competitive service delivered by many, charging customers for their use and using private sector employees and equipment.. This is the most common model of public service covering things like food supply and mobile phone services

There are then the following

A private monopoly provided free to users – a free local newspaper, a local radio station

Private competitive services provided free to users Much social media, independent tv

Public monopolies charging customers – Planning services, much licensing activity like passports and driving licences

Public near monopolies using substantial private sector competitive contractors – the NHS buys in all its drugs and contracts out various hotel services to private sector staff

Competitive services delivered in part by public sector owned institutions – Council leisure services that charge, Public sector transport

“Free” competitive services provided by state organisations and financed from taxes BBC, state museums

You could add to this analysis the provision of services by the third or charitable sector, where their provision may be free to users or may be

subsidised competition to the private sector as with charity shops and leisure offerings.

Public services, inputs and outputs

In the private sector attention is centred on what service or good the company provides. If I go to shop I do not want to be told how much the shop spends on buying and selling things and managing itself. I would not regard a shop that cost £1m to run each year as intrinsically better than one which cost £900,000. I go to the shops that offer the best prices and service quality, concentrating on what I as a customer receive and the value it represents. Shops can win more custom by cutting their costs of managing themselves to lower their prices. Discount food retailers have done well out of stripping down costs of display, property and support staff, When the private sector delivers poor service or bad goods it usually apologises, takes the blame and where necessary offers compensation.

Many people in the public services concentrate on the inputs rather than the outputs. Much of the debate is about how much extra money is put in, about many extra people are appointed to provide the service. To some political parties extra or additional or "new" money is all important and to them has magical powers which the base budget or the "old" money does not possess. This is strange misconception. The base budget is always the dominant part of the money, and more attention needs to be given to how that is spent each year with a constant thirst for improvement. When the public services deliver poor service they normally say they were "underfunded". They say remedy for poor service is more cash and people. Rarely do they say they got it wrong, will do better and misspent or failed to direct the resources they had available.

Of course there are times when we do need more doctors and nurses or more teachers. If we keep expanding the population we need to recruit and retain more qualified people to provide extra service. You can also have too many managers or administrators. You can fail to harness new technology to cut costs. Managers in some public services multiply and impose an increasing burden on the front line workers who get diverted by management from their main task of teaching or nursing.

Good management is about supporting the front line staff. It is about keeping the costs and intrusion of management down. It is best with few layers and clear responsibility for specified and measurable tasks. A well managed organisation has low rates of staff turnover, low rates of absence, high staff morale and unity of purpose in serving the public to a high standard. Some parts of the public services fall down on these criteria. Their senior managers need to be challenged as to why, and asked to improve the way they treat the staff, spend the money and achieve results.

The anti motorist coalition

Too many Councils and some officials in government want to price, ban and regulate the driver off the road. They spend large sums of driver taxation to thwart the driver, to delay the car, and to prevent the use of certain roads. The road authorities under provide road space on the grounds that if they supplied more motorists would dare to use it. There have always been people in government wanting to do this. The numbers have intensified now that cars are seen as one of the main causes of CO₂ emissions.

The car is one of the great liberating inventions of the twentieth century. In the age of the horse you needed to be rich to afford a horse and carriage let alone a bigger carriage with several horses. Even keeping a horse for riding or a horse for work purposes was a difficult financial commitment beyond the means of many. As the twentieth century advanced the arrival of the Beetle, the Mini and other cheaper small cars empowered the many with the personal transport privileges of the few.

Most seventeen year olds want to pass their driving test and many aspire to own their first car. It is the way to personal freedom, no longer having to plead with a parent to be given a lift to a social or sporting event. A vehicle is the foundation of many small businesses, allowing them to get the person with tools, equipment, goods and materials to any home in the country to carry out some work and earn a living. For the retired and elderly the cars and vans of modern UK are a supply line, bringing food and goods to the door, helping family and friends to visit and offering taxi rides to special events. Those who want to ban or inconvenience the car are trying to frustrate much of modern life.

Those who do it in the name of greenery may be undermining their own aims. More traffic jams bring much lower fuel consumption with delay. More traffic lights bring stop start with further fuel burn. Taxing new cars too much impedes moving more vehicles onto the low emissions standards of the modern car over the older one. Promoting electric vehicles with a high CO₂ emission to make them can also be counter productive when the person has to charge them from a grid mainly delivering fossil fuel based electricity.

Over time fuel efficiency and fuel types will evolve, and CO₂ will continue downwards. Taking more road space away from vehicles with every traffic management change, making junctions more difficult to get through, and having more traffic lights than roundabouts will frustrate the motorist, create congestion and put government at loggerheads with the many who see the car as a crucial part of their lifestyle and freedoms.

The Chancellor's wish to see greater productivity in public services

The Chancellor gave an important lecture recently on the need to raise public sector productivity. He drew attention to the decline in public service productivity by 5.7% compared to pre pandemic, whilst private services had shown a productivity improvement of 1.7% over the same time period.

He raised the issue of the "10,000 public workers in equality, diversity and inclusion" wondering if this was too many. I would add why did the NHS recruit more than 3,500 additional managers over the last three years? How did their appointment coincide with a major decline in productivity and what are they doing about it? How many new forms and requirements have these additional managers imposed on the front line staff? Why do we have duplicate or triplicate management, with management at NHS England levels, management at regional NHS quango level and management at hospital or GP Trust level? Why is there a cadre of senior NHS managers in the Department of Health and another corps of senior managers in NHS England? How many requirements on NHS trusts do these bodies send out each year?

When staff morale is low as it has been in the NHS with strikes and disputes over working conditions as well as about pay it implies the senior management have not listened and led in the way they should. It took senior management a very long time to come up with a manpower plan. Given the dominance of the NHS in the UK health area it is important the NHS does enough to stimulate sufficient education and training of our future health practitioners. That will take time and is not enough by way of response to current troubles. The senior management need to rework rotas, shifts, working practices and conditions with their medical teams to win back the loyalty and support of the staff. There is the danger of losing too many experienced and good people over conditions and job gradings.

The by elections

Knowing some of you will want to talk about the by elections, here is your opportunity. Each of the three parties won one. They showed continuing poor support for Conservatives, no love for a Labour replacement, and anger at Mayor Kahn's anti motorist policies. They show Lib Dem's with very low national poll figures can pull off the odd by election win. A highly subsidised investment in the West country did not impress voters there.