

An open letter to the PM as he crafts his general election agenda



Rishi Sunak

By David Fellows

In this open letter the author proposes an election agenda dominated by levelling-up, NHS and Zero-Carbon met from a programme of public spending reductions. He sees a need for this to be explained by an honest evaluation of the challenges facing Government.

Dear Rishi,

It seems to me that the coming general election must be regarded as the start of a new era: post financial crisis, post Brexit, post Covid, post supply chain disruption, post outbreak of the Ukraine war, post inflation explosion, post Corbyn & Johnson. This clearly requires a courageous agenda as we approach a somewhat more stable (excluding Ukraine) yet challenging domestic and international landscape.

Your new Government must be ambitious, rigorous and transparent in constructing the way forward. We require a Government pro innovation, productivity and regional opportunity; pro personal responsibility and smaller state; pro advice above regulation; and more communicative about [problems and possibilities](#). This challenging requirement plays to your technocratic strengths – embrace it, speak up and move quickly.

So far as the middle-class millenarian campaigners are concerned, the more level-headed majority want a government that can stand up to them where it counts.

Internationally the way forward must include increased national resilience and partnership development where this is mutually beneficial. Sooner or later, this will include improved relations with the EU and US, accepting that marginal improvements may be all there are available right now without offering unreasonable concessions. In this respect the decision to rejoin Horizon is a mystery to me, it has not been properly explained and the terms are bewildering. You must do better.

We need a narrative that embraces all this and gives us confidence for the future.

Levelling-up encapsulates the lack of tangible concern by the political class over past decades. There is a yawning deficit in economic opportunity in the regions compared to that in the Greater South East. People in the regions need feasible solutions that address this through a substantial [programme of investment and collaboration](#) involving development tax incentives, training, innovative technologies and

infrastructure. The current political mindset is far too London-centric as [my analysis of then Levelling Up White Paper](#) demonstrated. This cannot continue. If you do not understand the insistent need for leveling-up, a phrase invented by BJ but a concept long embedded in the regional DNA, then frankly you are adrift.

If the levelling-up ambition is ever to succeed in practice then staunch and continuous Government leadership is essential. Local government and other local institutions will never have the heft to lead a real revolution although they are clearly vital ingredients. Collaboration between major public sector organisations is limited by the determination of all parties to retain discretion over important matters for which they are held responsible. Metropolitan authorities have limited powers leaving their leadership role hanging by a thread.

Constant [cries from industry](#) to allow local politicians to take charge are immediately followed by demands for action on issues for which Government holds the key. Any intention of real change requires continuously active ministerial involvement to build the regional offering and demands true collaboration between players, including greater cooperation and shared learning within the business sector together with more rigorous thinking about the shortcomings of public and private sector relationships hitherto.

The Government's failure to give due support to regional development over decades has almost by default put enormous emphasis on London and the quality of life of ordinary Londoners has suffered. Housing provision has been disastrous. Inner London, with some exceptions, has been demonstrably failed by the public sector. Levelling up is the first step in

redressing this unhelpful London bias allowing the quality of life throughout the country to be improved step by step.

Looking at other issues, the NHS is simply too monolithic while internal communication and coordination can be appalling. It now requires the challenge of an alternative model based on universal healthcare principles. I suggest a dual system of state and private provision with the latter largely funded through an insurance system, as [I have previously advocated](#). The state would then be one option within a diverse provider model that would develop through operational experience and user demand. Basic personal coverage within the system would be mandatory and personal taxation would reflect the choices made.

Zero carbon timescales are unrealistic and becoming detrimental to everyday decision-taking. The cost of electric vehicles, shortage of charging points, deficiencies of national grid infrastructure and power generation now require firm deadlines to be translated into softer and longer timescales. Further technological breakthroughs and comprehensive cost analysis will determine the nature of the initial net-zero platform. At this stage options for power generation and end-user technology need further work if abortive costs, perhaps crippling burdens, are to be avoided at state and personal level. Locally-determined ULEZ charging zones are part of an emerging left wing economic disruption narrative and should be prohibited. Only Government-enacted regulatory and penalty systems should be permitted.

The limited extent of house building is an injustice to younger people of child-bearing age, a threat to the country's economy and destructive to local communities that do so much heavy lifting that otherwise falls on an overburdened state.

With this in mind, local authority discretion to refuse planning permission for housing must be reduced, the scope for building on greenbelt land must be increased and the land bank practices of major developers must be scrutinised and reformed as necessary. It is no good observing the preferences of the traditional voting base if the result is national destruction. Some hard truths need to be told. This may lose the support of some but gain respect and possibly support elsewhere.

Whether political leaders are gregarious, eloquent or rich (none could be said to be of limited means), I suggest that in the coming election it matters less to the electorate than their integrity, their willingness to engage openly with the electorate on key issues, the quality of their team and, crucially, what they seem able and willing to deliver for the individual voter and the country at large. Not every voter will forensically examine these issues but many will and their conclusions will filter through.

With this in mind, why not bring the levelling-up agenda back into the Cabinet Office with you accepting personal responsibility for vision, oversight and cohesion. It would be a major commitment but as the election approaches it would signal that you put fairness of opportunity and a shared national prosperity at the heart of your mission. Having made my case for the levelling-up perhaps I can go one step further and suggest that where there is deemed to be an overwhelming case for technological research and development based in the Greater South East then this should be linked with institutions and businesses in the regions.

Also commit to social imperatives that are not on substantial fiscal support, particularly private sector house-building and the inclusion of the private health sector as a full partner

in the NHS family.

On the international stage, trade and security must be clearly at the forefront. Perhaps international development, outside the bounds of humanitarian aid, could be targeted mainly at existing and potential trading partners in the developing world with support centred around in-country governance arrangements and partnership development involving UK businesses and technological institutions (even catapults). I am not suggesting that some of this does not happen already but that it could be a much more prominent focus of the development offer.

Any substantial programme of public investment in economic growth must be financed in the short term by increased public service efficiency and the elimination of ineffective service provision leading subsequently to self-funding through increased tax revenues. Hard choices are clearly required for both initial service reductions and investment priorities.

The next election will find many issues vying for attention. A selective offer delivered with straightforward honesty is now required that demonstrates your vision and for our future prosperity. Clarity about key roles in developing the future vision could be helpful too.

Regards, DF

PS: I'm always creating to-do lists and perhaps I could offer a few thoughts in this vein

Levelling-up and self-reliance:

- Demand substantial contributions from regional universities, technology institutes and catapults – of a scale and ambition to make a significant difference
- Devolve Govt departments much more extensively
- Support development of new technology to facilitate greater productivity for domestic industries eg: agriculture; product design, testing and development; digital technology
- Employ tax incentives to encourage investment in regional development hubs for new product development and productivity improvements
- Commit ministerial support to facilitate institutional cohesion at regional level

Public spending:

- Set 3 year targets for departmental cost reductions
- Reduce services that lack value; improve administrative efficiency; and reduce regulations, making it harder for ministers to create them (none of this is ever done well)
- Seek advice from the NAO. Hold departments responsible.

National health services:

- Announce the intention to develop a twin track (public/private sector) universal National Health Service with the private component being largely insurance-based including the option of providing both private medical schools and university hospitals

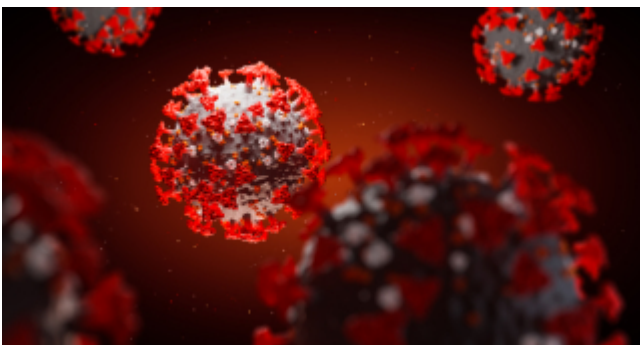
- Allow cross-contracting for service delivery between public and private sectors
- Allow private sector to adopt a variety of configurations for primary and secondary care.
- Call for outline proposals from public and prospective private sector partners
- Design a supportive tax allowance package for those wishing to take the private health option
- Learn from others

Carbon reduction:

- Scrap all net zero deadlines and replace with more realistic targets for key proposals
- Monitor and evaluate the emergence of innovations worldwide, encourage domestic innovation, stimulate the creation of viable net zero industries and support them

David Fellows worked extensively in UK local government, was a leader in the use of digital communication in UK public service and became President of the Society of Municipal Treasurers. He was subsequently an advisor on local government reform in the UK Cabinet Office and an international advisor to the South African National Treasury. He is a director of PFMConnect, a public financial management consultancy, and a regular commentator on public financial management issues at home and abroad.

Small Island Developing States, COVID-19 and Digital Technology



Posted by David Fellows^[1] and John Leonardo^[2]

The impact of COVID-19

COVID-19 has changed behaviour throughout the world and social distancing has been the key driver. Workers in factories, shops and offices have been protected by creating greater space between workstations, erecting protective screens and using protective clothing. Distancing requirements have been introduced in bars, cafes, restaurants, hotels, markets and shopping centres. All economies have suffered, especially the hospitality industry, air travel and public transport. Unemployment has soared. Schools and higher education colleges have closed. Many countries are turning to the IMF for support.

The internet has proved a beneficial facilitator of economic activity, allowing most administrative work and the ordering of goods and services to be undertaken at home. Video conferencing has facilitated meetings with colleagues, business partners and clients, and helped maintain contact with friends. Online learning has featured in reopening plans for higher education and some schools. In this new world digital technology has achieved an elevated significance beyond its already pervasive presence in the pre-COVID era. In some ways it has already established a new normal.

This brief piece focuses on small island developing states (SIDS) but even here the challenges are not identical. Some countries depend heavily on a now-dormant tourist industry and shoulder severe difficulties. These include poverty, remoteness, disbursed communities and the need to combat the threat of natural disasters. The virus demands a minimisation of personal contact for which the absence of good quality, low cost digital communication leaves many states poorly prepared. The [UN E-Government Survey 2020](#) notes that of the SIDS only Singapore and Bahrain have high overall scores; almost half scored less than 50% of Singapore's score for infrastructure.

Communication infrastructure

Good quality digital communication requires fibre-optic broadband cabling to support business use and homeworking with adequate resilience, even including 4G and Wi-Fi. 5G is costly and has [potential shortcomings](#) at present. This option requires specialist advice.

Understanding behaviour is important to government strategy.

Contributing factors include levels of public education, affluence, user tariffs and local cost factors. Lobbying based on knowledge of the operational intentions of the [marine cable-laying industry](#) could be important.

Regional collaboration could provide impetus to network improvement strategies, regulatory frameworks and licensing agreements.

Technology applications

The digital service revolution discussed above and already taking place across the world, accelerated by the onset of COVID-19, is inescapably relevant to SIDS. There are many specific business [applications of relevance to SIDS](#), including: health advice (including C-19) and personal consultations; agricultural monitoring and market information on crops and livestock; and weather monitoring for fishing, agriculture and general safety considerations. Additionally, expatriate monetary transfers are being undertaken increasingly using digital systems. The creation of digital services relevant to developing countries gathers pace [and must be encouraged](#).

Video conferencing, email and document handling systems provide an essential communication layer that is particularly useful to achieve social distancing.

Apart from their use of major business applications governments can make use of social media for public messaging, for instance, demonstrating transparency and engaging citizens the struggle against corruption when resources are so scarce.

Technology skills

Digital communication infrastructure must be complemented by a capacity for: upgrading, expansion and rerouting of infrastructure; installing application software; implementing major software packages; and even the development of service applications. This requires learning at various levels gained from school, college, in-service courses and practical experience.

An understanding of the technology is also required to educate potential adopters about the possibilities that digital communication offers them. This includes the general public, small businesses, the public sector and larger private sector organisations.

Digital technology [skill development is essential to help SIDS](#) adjust to the current situation.

Towards cost-effective solutions

COVID-19 is forcing change to the way people live throughout the world and economies are in crisis. Digital communication offers the capacity for helping maintain business continuity. Most SIDS would benefit from a higher standard of affordable digital communication supporting improved digital service delivery.

Digital technology must be designed to the needs and circumstances of individual states. Nevertheless, there could be much to gain from cost-effective collaboration between SIDS

for the purposes of sharing and developing:

(i) an understanding of the economic and social impact of COVID-19 and ways of mitigating these effects through digital communications;

(ii) market-shaping policies and practices for increasing the availability of digital communication at an affordable price;

(iii) strategies and programs to support the provision of expertise in digital technology and its use by business, public services and the general public; and

(iv) knowledge of relevant progress made on these issues throughout the world.

Such an initiative, whether on a global or regional basis, could include SIDS, development agencies, the digital service industry, other private sector partners and potentially the Commonwealth Small States Centre of Excellence. Is this a step too far?

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