

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.

Freedom is what you make of it



by David Fellows [\[i\]](#)

1. UK Governments can no longer claim that EU rules prevent necessary changes to improve the UK economy or the life prospects of UK citizens. The UK's decisions may have some tariff consequences but there is no EU veto or imperative that would lead us to doing those things that run counter to our best interests. After the deal was done in December the PM remarked "freedom is what you make of it". Surely this will be his epitaph but will it be a celebratory one?

2. The time is rapidly approaching when we must learn of the Government's detailed plans for fulfilling the PM's promise to level up the regions. We shall then see what effort and risks ministers and senior civil servants consider appropriate to honour the pact with those who made Brexit possible by changing allegiances at the last general election.
3. Challenges abound for all participants. Local authorities, for instance, can offer valuable insights and assistance with delivery. Naturally they will want to put their own stamp on initiatives. In doing this some may make untenable demands, vilifying Government merely for political purposes. Making a start with the most constructive partners is surely important. An advance guard must be identified capable of identifying the route to success.
4. The adequacy of key public sector organisations must be considered. For instance, how is the private sector to be effectively incentivised to participate? Can the woeful state of skill training be improved and properly presented to those who could benefit? How are start-ups and small businesses to be supported in a practical manner? How should business regulation be simplified to encourage enterprise while maintaining British values? How and to what extent could universities be tasked to make a meaningful contribution with funding skewed to reflect support for local enterprise development? How is the huge heft of public procurement to be employed? Is this the moment to create regional investment institutions to support private enterprise and if so, in what form?
5. The private sector must be invited to make a major contribution to this agenda. Brexit has not shown the sector's representative bodies in a particularly constructive light. They must demonstrate a capacity to contribute or be circumvented. One way or another the sector must be encouraged to provide ideas and resources

that are appropriate and of long-term benefit to regional development.

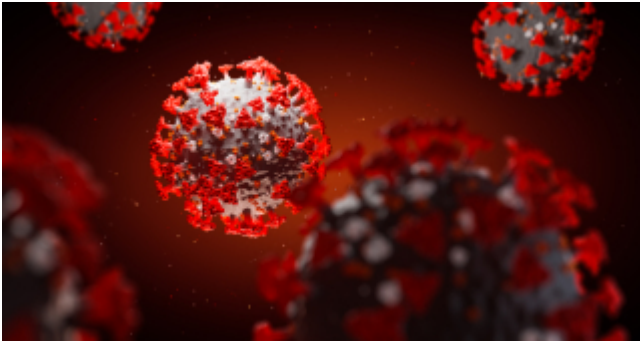
6. No one has 'the' answer. The public sector is diverse, resource hungry and often politically divided. The private sector is competitive, risk averse, self-interested. Representative bodies of all kinds have limited, common-denominator agendas. Consultancies tend to provide answers that they hope will lead to repeat business. This is not a task to be resolved purely by conference or working group. The answer must be derived from an unruly discourse that generates ideas from a series of interactions across all issues involving many different organisations and individuals, producing contributions that are more revealing than manicured.
7. The general public must also have an understanding and an opportunity to contribute to this agenda. The remaking of the regions and the consequent clarification of the opportunities for London and the South East are about reshaping opportunities for communities, families and individuals.
8. The task entails the rebalancing of the relationship between the wider London area and the regions. Ultimately the responsibility for a successful outcome of this immense task lies with Government. It should be approached with this clearly in mind. There must be both local and national ownership, public and private sector engagement. The national contribution is pivotal and should be recognised through branding and governance.
9. This may not seem the best time for such an adventure. The virus has caused serious economic and personal damage. Restrictions will continue for some time while huge expenditure has already been incurred. Some say that this is the time to recognise and reinforce what works, time to throw everything behind the pulling power of London and the South East. They caution against forsaking the golden goose. Of course this is a fallacy borne of anxiety when the currency is realism. London

does not work nor do the regions. The one lacks liveability, the other lacks opportunity both need attention. It is time to face facts, there was never a golden age.

10. The digital technology had been slowly revealing our needs and suggesting options. Covid-19 has caused us to build on these developments, changing our attitudes and behaviour with astonishing speed. The Covid-19 experience has also provided Government with invaluable lessons about joined up working and the need to achieve steadfast alignment between messaging, planning and execution.
11. Things will never be quite the same again. It is time to embrace change, we just need to do it properly.

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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?

This blog was published by the International Monetary Fund's Public Financial Management Blog on 18 August 2020 at <https://blog-pfm.imf.org/pfmblog/2020/08/-small-island-developing-states-covid-19-and-digital-technology-.html>.

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An International eCollaboration Route to Public Service Reform



Author: David Fellows

Governance of public affairs is a complex topic. It includes the processes by which decisions are made, the means by which service performance is assessed, the standards of behaviour to which public servants are held, the transparency applied to public life and the extent to which ordinary citizens are engaged in policy-making. In this respect, developing countries provide a wealth of expertise and examples of outstanding practice, research projects, and reform programmes.

In this post I propose an approach to governance reform in developing countries that is owned and developed more extensively through multinational collaboration, and that uses digital media as a basis for that collaboration. This is not to suggest that development partners should be excluded from generating ideas or providing support but that developing countries should become more dominant orchestrators of their own development through more effective collaboration.

Working with an International Perspective

Each nation requires its own strategies and implementation plans for governance reform, reflecting its specific needs, capacities, cultures, geographies and priorities. Nevertheless, multinational collaboration can offer a valuable combination of experience, ideas and expertise from diverse perspectives. At the centre of such an approach would be those who are responsible for achieving administrative reform, both civil servants and politicians, and who are intimately familiar with the challenges of the operational situation.

Such an approach would require an open and honest sharing of key problems and possibilities, the reality of progress made and the means by which achievements are being realised. Research could be shared at an early stage, development programme progress could be followed as it is rolled out and promising initiatives could be emulated promptly. Practical solutions could be sought to common problems, including mutual dependences.

This shared approach could involve officials, academics, staff from development agencies and the private sector, journalists and other experts. Technology can facilitate virtual exchanges that would not otherwise be feasible due to time, cost, and travel restrictions. It could enable the engagement

of those best placed to assist, rather than those who are most readily available. In short, digital technology is an excellent medium for bringing the most appropriate combination of people together in a low-cost, time-efficient manner.

There are very many collective organisations in most if not all regions of the world, including organisations with broad national representational remits, organisations consisting of specific types of institutions, and professional bodies. The purpose of this proposal is not to supplant these organisations, but to use them as a source of expertise, conduits for dissemination and platforms for discussion. Regional collaboration whether of formal groupings or ad hoc alliances can also provide a highly effective means by which these proposals can be approached in their entirety.

New Ways of Working using Digital Technology

There are four basic strands to my proposed approach: (i) collaborative development arrangements; (ii) expert advice and mentoring; (iii) professional training for public servants; and (iv) public transparency and engagement.

(i) Collaborative development. Central to this proposal is the notion of collaboration: sharing current practice; learning from research and reform programmes; and identifying more effective ways of working through collective consideration. Relevant subject matter could include: public procurement; budgeting and performance management; auditing and risk management; broad-based annual reporting; the appointment of public officials; the conduct of elections; declarations for public office; small business development; cross border trading; taxation policy and the administration of justice. Broader themes are also relevant, such as strategic planning; combatting corruption and equality of opportunity.

A key aspect of the collaborative approach is to engage a broad range of relevant people to contribute their ideas, experiences and judgements. The emphasis should be on how national priorities might be identified, reform programmes constructed, and viability tested. Their objective would be the creation of reasonably effective solutions that are affordable, feasible and sustainable.

The use of digital technology would allow flexible connectivity between people and ready access to information resources. Databases capturing a wide variety of policies, plans, reviews, process descriptions and standards would need to be constructed and made available for interrogation. Updatable schedules of financial and performance data would be required together with platforms to facilitate multiple authoring of documents. Working group meetings could be conducted over video conferencing systems offering document display and a record of proceedings.

(ii) Expert advice and mentoring. Beyond large group collaborations, the proposal also offers the opportunity for knowledge and experiences to be shared on a more personal basis. The key technological contributions here would be email, chat rooms and video conferencing with some use of databases as discussed under (i) above.

(iii) Professional training for public servants. Professional training is an essential aspect of public service development. However, traditional training methods can be highly expensive when physical attendance is required and can make significant demands on the student's time away from the office.

'Open university' approaches to further education have been in operation for decades in many countries and new technology has given them a boost [\[1\]](#). There is no reason why the model cannot be extended to suit the particular professional development needs of public servants from developing countries.

Digital technology can enhance the learning experience with video packages, interactive learning modules, online assessments, conventional study material, chat rooms and email exchanges together with video conferencing for tutorial sessions. Existing study programmes (e.g., World Bank courses) could be incorporated. Academics from major institutions around the world, experts from development agencies and specialists from international centres of excellence could be approached to lend support, providing a rich learning experience. It is possible that some existing public service training institutions could provide the basis for this type of provision.

Financial support for traditional training facilities has tended to fall out of favour with development partners. Perhaps this should be reconsidered using an evidenced-based approach to the value derived. A recent study [\[21\]](#) undertaken by PFMConnect provides substantial support for the feasibility of such an approach.

(iv) Public transparency and engagement. This can equip citizens to contribute ideas for the development of public service and hold officials to account for their judgement, integrity and effectiveness. Going further, it can also help to reduce costs and improve service benefits, root out corruption, and create confidence in public institutions.

This process of accountability and engagement can be effectively achieved through official websites, chat rooms, email and social media. There is considerable scope for all governments to improve two-way communication with their citizens. A professional training institution as discussed above should seek to play a leading role in advancing key developments in administrative reform, including public transparency.

Key Technical Considerations

This proposal mainly concerns the infrastructure available to central government services in capital cities, as central government offices are the principal subject of these proposals. In this respect there is already a fairly high standard of general internet connectivity and the capacity to implement facilities of the kind required. The public engagement aspects must, however, rely on whatever public networks are available in a particular locality and these can be expected to improve over time.

In terms of government offices, there appear to be three principal technological issues. Firstly, individual offices need to have appropriate internal facilities. Secondly, there will need to be agreement to a range of key considerations concerning the digital architecture, service providers and core software products. Some issues must be decided internationally and some can be left to local discretion. For example, video conferencing requires basic software decisions to be made on behalf of all users with operating systems and browsers having the capacity to support the chosen software but beyond this there can be considerable desktop flexibility. Thirdly, it may be useful to establish document standards for certain purposes [\[3\]](#).

A balance would need to be struck between the sharing of information across a broad network of participants and the need for confidentiality and security over some material. Clearly such a proposal will not take root if it is based on stipulations that are highly complex and expensive. An evolutionary approach is clearly required.

Conclusion

In a [previous blog](#) covered by the World Policy Journal the author and colleague John Leonardo set out the case for governance reform in developing countries in order to reduce

corruption and thereby improve economic performance and public service delivery.

Shifting the balance of responsibility and organising power for governance reform towards developing nations could give this agenda new impetus. An imaginative use of digital technology could enrich the inclusivity and practicality of such an approach.

This is a very tentative proposal. I have not started to discuss whether it would constitute a unified system or a series of ad hoc arrangements; how such a proposal would gain traction; and how the system would be financed. Observations and reactions would be welcome.

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Thanks are extended to Chris Fellows of ITI Europe for his views on the application of digital technology.

[1] See this example from a British university:
<http://www.wbs.ac.uk/courses/mba/distance-learning/teaching/>

[2] Commonwealth Africa Anti-Corruption Programme Evaluation – see
<http://blog-pfmconnect.com/wp-content/uploads/2017/05/Anti-Corruption-Africa-Programme-Evaluation-Feb-2017.pdf>

[3] For instance: Horizon 2020 EU programs must include a deliverable called “data management plan” that, in part, describes the kinds of formats that will be adopted within the consortium. See
<http://www.sussex.ac.uk/library/researchdatamanagement/create/biddingforfunding/horizon2020dataplan> and
http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/oa_pilot/h2020-hi-oa-data-mgt_en.pdf)