

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.

Talking about the future



Rishi Sunak

by David Fellows

This commentary suggests that the UK Government's new Prime Minister, Rishi Sunak, should use this pre-election year to pursue a much-needed process of public engagement embracing honest analysis, realistic objectives and meaningful initial progress focused resolutely on the key issues.

Politicians can spend too much time stabbing at simple solutions to complex problems. This typifies the Opposition's current behaviour resulting in frequent policy reversals or 'clarifications' but they are not alone. PM Sunak has just announced a substantial increase in medical training throughput but has given little analysis of current difficulties demonstrating how this single initiative will make a critical difference to the NHS.

A risky but more beneficial strategy would be to explain how he truly sees the UK's key problems and opportunities, explaining their origins and his commitment to beneficial change within a realistic timescale. He would be open to engagement on refinement and priorities but he would emphasise his intention to move forward at speed within the limited time at his disposal before the general election. This would demonstrate intent, practicality and, wherever possible, some evidence of initial impact. The latter prospect is particularly valuable as it is an option that is only available to Government. It is conceded that such an approach would be highly demanding and allow some admission of past policy deficiencies.

The benefits would be three-fold. Firstly, Sunak has had limited opportunity to develop a rapport with the country and this would be an arresting start. Secondly, it would employ his key strengths of analysis, practicality, honesty in debate, ability to communicate in depth and he would be seen to credit ordinary people with the intelligence to understand hard issues. Thirdly, the Opposition would be challenged to meet him on his own terms or be seen as shallow and incapable of the grip required to make serious improvements.

Sunak is sufficiently different from both his two immediate predecessors that this more open, practical and carefully reasoned approach could signal the arrival of a new Government capable of making a critical difference at speed. Ideally, he would be joined by a small team of ministers that would share this style of presentation and help develop the thinking on the issues to be presented in this way. A more collegiate style would also signal a welcome robustness of relationships within Government.

I have already set out [my views on the key issues: economic growth](#) (with the [Government more ready to accept a pivotal role in levelling-up](#)); green energy; housing and families; the structure, character and management of the civil service; and [NHS reform](#). I accept that I must add immigration in its various forms. But mission creep must be avoided. This must not become the manifesto. It should be far more focused on the things that matter most.

When explaining why we are where we are and what we now need to do to deliver future success it is essential that the context is properly explained to the electorate. To me this breaks down as follows:

1. The need to foster improved economic productivity and growth through innovation, leadership, education and training, leading to good job opportunities, self-sustaining communities in all regions and affordable public services. This includes addressing the UK's current dependency on immigration to provide the necessary additional labour to compensate for the failure to produce sufficient home-grown talent or achieve adequate productivity improvements throughout the economy.
2. The need to reign-in public spending and restore the public-private sector balance of the economy through greater public service efficiency and a much-reduced dependency on regulation. A key requirement of the latter being the creation of clear distinctions between public and personal responsibilities, a challenging task.
3. The relationship between housing availability, family prosperity, general living conditions, birthrate and public service provision.
4. The need to supplement renewable energy with carbon-

based fuels for sufficient time to allow for the discovery and development of viable zero-carbon solutions that current technology is at present unable to provide on an industrial scale. This includes revisiting issues provisionally resolved by bogus zero-carbon solutions. Clearly current carbon emission deadlines must therefore be extended to avoid the economic and social disasters that will otherwise arise from current timescales.

5. The need to identify the extent of NHS failings has already been referred to. In doing this, the dual public-private system that is already an integral part of UK health service provision must be officially acknowledged and developed in a coherent and cost-effective manner.
6. The need to review the nature of the civil service given the dependency of Government on trust between elected and appointed officials. Specifically, to consider the continued validity of the expectation that senior officials will remain personally loyal to all ministers they serve, will advise them dispassionately and will be prepared to action the policies that are then determined by successive politicians. A change of party is the most obvious but not the only issue here.

These complex situations affect highly relevant issues requiring an elevated level of explanation and engagement. Sunak is equipped to rise to these demands.

The core narrative of the next Government could be introduced and developed in some depth from now onwards. The proposed approach carries the promise of a more profound relationship between Government and Country, rejecting hollow sound bites as a route to electoral success.

The five priorities may have been a starting point but the country needs a more substantial vision that does justice to the challenges that lie ahead.

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**A general election campaign
shortlist**



Rishi Sunak, United Kingdom Prime Minister

By David Fellows

Achieving the PM's [five priorities](#) for 2023 will not win the general election although, having committed to them, failure to deliver will surely finish him. Raising the corporation tax in the next budget would also be destructive. But people do understand that resolving the complex problems facing the country is crucial to their wellbeing and the PM's abilities to master detail and strategy are seen as relevant to this task. His families' wealth is no major stumbling block.

The real question is whether the PM has the character and communication skills to confront the issues and provide the leadership that will deliver a future to be proud of.

I suggest the PM has five major issues to address convincingly and that he must start immediately.

1. Economic growth (reference in [five priorities speech](#) too limited and must be revisited)

- **Productivity improvements** to improve wages, address the labour shortage, provide the profits for investment and create higher tax revenue to finance tax incentives, infrastructure development, tax rate reductions and necessary levels of social provision.
- **Investment in technology and innovation** incentivised by tax allowances is an important aspect of a productive ecology. Added to this a simplified tax code and reform of tax administration is critical for small businesses and self-employed, it is even important to enable larger companies to be motivated by the tax incentives that are available to them.
- **Government procurement** could be used more proactively by giving advance notice of likely opportunities, engaging with suppliers on product design and tender process development and supporting the development of small businesses.
- **The levelling-up agenda** should be reduced to its basic form of regional economic development which is the basis of almost all forms of regional prosperity. It is essential that the hitherto enormous preference shown to the London, Oxford and Cambridge area is redressed. This must include including special tax incentives for business investment in the regions and for collaborative ventures between nearby businesses, greater investment by higher education institutions in support for regional businesses (including inward [investment in new technology](#)), greater availability of specialist start-up incubators and greater concentrations of advanced

technology centres working in partnership with local businesses.

- **Higher and further education** should be seen primarily as providing the route to a good life, an interesting occupation and the use of innate skills. The cost of a university education is outrageous compared to the benefits in most cases and the debt represents a barrier to home ownership, family life and community development. Universities must become more closely aligned with national economic priorities. Similarly, further education must reach out to employers and employees to an extent that has so far eluded most institutions. The contribution that this sector should play in the field of innovation and business development lies far from current experience. The private sector should also be challenged to match this with its own efforts to improve skill transfer and mutual support within business specialisms.
- **Business regulation** must be overhauled to attract and incentivise private sector businesses. This requires careful prioritisation and cooperation between business sectors and Government. Clearly much [groundwork has been done](#) and must be followed through.

I have dealt with these issues [elsewhere](#) in greater depth. Amongst other things it should be regarded as a programme of national resilience that emphatically embraces agriculture. The issues are given impetus by the need for a robust response to the US Inflation Reduction Act.

2. Green energy

Realism is urgently required about the speed and direction of the green energy revolution. There are more friends than

enemies to be won by softening some of the shorter timescales and some of the specifics. Realistic solutions are required to shared ambitions. There is also an urgent need to prevent arbitrary local regulations and penalties, including road use charges for carbon emitting vehicles. Any such practices must be confined to nation-wide schemes to facilitate ease of travel and trade throughout the country.

3. Housing and families

The scope for local authorities to refuse planning permissions for housing must be reduced, time taken for allowable interventions must also be limited. The scope for building on greenbelt land should be increased. Government cannot continue to wash its hands of this vital issue and MPs intending to fight the next election must accept a firm approach. Admittedly this requires a reversal of policy but it is a matter of economic and social good sense. To do otherwise would be an affront to the younger generation. This goes hand in hand with the urgent need for refinements to [childcare regulations](#).

4. The structure, character and management of the civil service

The civil service lacks modern corporate accountability. Officials can too easily assert departmental policy and standards leaving unwary politicians powerless. The perpetual whirligig of ministerial change does not help this situation. The current internal battle being waged with the Secretary of State for Justice could be read as a struggle for departmental control and has serious implications for the UK's current constitutional arrangements. Reform is urgently required, a

manifesto commitment is necessary to provide a mandate. It could just become a strong issue for this PM.

5. NHS reform

I do not suggest offering specifics for NHS reforms as there is insufficient time before the next general election for the research and development required. Instead there should be a clear promise to give prominence in the new parliament to the challenges facing the NHS and approaches adopted by other first rate healthcare systems around the world. This would result in a white paper introducing an [incremental reform package](#) that would repair NHS deficiencies whilst giving it space to breathe by encouraging a larger role for alternative forms of provision.

This agenda is designed to confront serious national challenges and reassure the electorate that beneficial changes will ensue. Without a platform that allows the PM to demonstrate the relevance of his strengths the Opposition may find itself in power without having detailed a single major policy change. Now that could result in 'chaos'.

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A future for the NHS



By David Fellows

I have no medical training or hospital management experience. I have from time to time had fleeting involvement in health development issues and I have been a hospital patient but I make no claims in writing this except that I am a general client of the NHS. Like millions of others I am simply concerned with the state of play: the lack of GP availability, the quality of some diagnostic services, the management of outpatient services and the speed of hospital referrals.

In exasperation the not-so-wealthy are paying privately for GP services, specialist consultations and surgery. The problem predates COVID. Heavy demands are placed on all health care systems by increasingly sophisticated diagnostics, medical procedures, patients care and medication. Add to this an increasingly elderly population and the country faces the prospect of a colossal financial burden for a less than satisfactory service.

The once acceptable approach of throwing money at the NHS is very obviously not working. Whatever sum is requested and provided is almost immediately decried as insufficient.

The motivation behind the current nurses pay dispute raises a further issue. The demands made are potentially destructive of the NHS, public services in general and the economy. This raises the question as to whether nurses leaders are actually voicing a profound dissatisfaction with the NHS. Has its vastness and complexity come to alienate the very people on whose dedication it depends?

Hitherto the international direction of travel has been towards comprehensive national health services but none has gone so far with integration as the UK. Of course the NHS is not the sole UK provider. Private medicine is available in all fields. The scale of core state provision is around 70% of total medical service expenditure in the UK, similar to core provision in many other developed countries.

But elsewhere the core is often extensively disaggregated. For instance, multiple providers for commissioning (eg not for profit insurance schemes for core provision), hospitals and primary care. Levels of integration may be available. Core services may receive public and private financial contributions and provision may be made for equalising insurance costs of those with poor health. Services for children, unemployed and elderly may be financed by the state. There are many variants including discretionary aspects.

The weakness of the UK system is that the core is massively integrated and almost entirely state driven. The UK has broad geographic and localised divisions of the service but this

does not overcome the fact that the centre has overarching responsibility and control. Government is commonly accepted as responsible in all respects. Complaints ultimately rest with Government, shortcomings usually blamed by officials and the media on lack of funds.

With respect to core provision the state is singly charged with operational responsibility for contributing vision, strategy, management, procurement, facilities, personnel, training , medical record development and patient communication. Personal dedication and compassion are valued but the organisational architecture is deficient in drivers for efficiency, innovation and flexibility of reward.

A state with more limited responsibility for delivery obtains a better vantage point from which services can be judged and structural refinements made. Where ultimate operational responsibility is distributed there are more active voices to explain the difficult issues that beset service delivery, more partnering choice for providers and more provider choice for patients.

The bait noire in this alternative universe is the US health system. It is becoming more comprehensive but remains unsatisfactory by the standards of many developed countries and is far too expensive. It is not the starting point for any new health provision model. Other developed countries offer more varied systems as Federico's review of OECD countries [\[1\]](#) demonstrates.

Frederico is an advocate of progress by marginal refinement for health service development. I suggest this precept that should be readily embraced. The NHS is too exposed to cope

with promises of major reform.

My proposal, therefore, is for the Government to affirm the benefits of a more diversely operated health service having both public and private sector counterparts with common regulatory and performance oversight. Where appropriate, public and private sector providers could share facilities perhaps with initial cost borne by the private counterpart and medical expertise could be shared too. Collaboration could also be relevant in the development of management and medical information systems. Private hospitals could qualify as teaching hospitals. It would be a gradual evolution.

The initiative could commence with a call for proposals covering all aspects of potential development within the themes of evolutionary change, service improvement, learning from diversity and providing the prospect of an affordable outcome to exchequer and citizens. These would become the criteria for success on which progress would depend. This is more specific and extensive than the reference to public service reform and the Integrated Care Board review contained in the Chancellor's Budget Statement.

The outcome could embrace a variety of organisational arrangements. Taxation aspects may require phasing in to avoid any initial net cost to the exchequer. Ultimately there would be a reduction of cost and demand on public provision.

The development process could add significantly to the UK's innovatory record in the fields of medical service delivery, information and medical technology. Opponents would charge the Government with developing a two tier health service but this would be difficult to sustain given the proposed criteria for

pursuing the development.

The public can see the cracks widening and know that the solution is not just more state funding. Any Government that had the courage to tackle the problem honestly and openly could be met with sighs of relief, particularly if the approach was subtle, gradual and sensitive to the dedication of NHS personnel. There are always reasons to postpone a difficult journey but surely the time has arrived.

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[\[1\]](#) Comparative Health Systems – A new Framework by Federico Toth, Cambridge University Press