A RENEWED IMPERATIVE
Purpose-led, adaptive and collaborative

Bringing Ingenuity to Life
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The public sector hasn’t faced such a pivotal moment since Churchill addressed the British people 75 years ago. In the face of a deadly, submicroscopic infectious agent invisible to the naked eye, the sector has demonstrated its societal importance, responded quickly and effectively to challenge and rebuilt its deep connection with the public it guides and serves.
At the same time, the virus has exposed frailties in the system and opportunities to improve, from single points of failure through to wider structural weaknesses. It’s both made the case for modernisation and reform of local and national government while eviscerating the case against it. Where once it was claimed that change would take too long, where information couldn’t be shared or where too many barriers existed, the pandemic has galvanised and spurred the public sector into action.

Key players within central and local government have long talked of fundamental change and of better delivery, more accountability and enhanced capability. This change imperative is now given additional emphasis by societal demand. Having seen ministers and local government rise up over recent months, business and society will now expect the public sector to maintain its posture and pace. They’ll want to see services centred around new priorities and expectations. And they’ll expect long-standing economic, environmental and societal issues to be tackled with renewed vigour.

REWIRE NOW OR MISS A SINGULAR OPPORTUNITY
Act now or miss a singular opportunity

We sense that now is an opportune moment to enact long-lasting change that can benefit central and local government, business and society. Now, more than ever, is the time to be purpose-led, adaptive and collaborative; to shape society, the economy and public services in radical new ways; to enable and revitalise cross-departmental working and collaboration across academia, industry and the public; and to look to measures of value beyond GDP.

But there’s a caveat. With expectations high, any missteps could see the opportunity lost. And those who neglect opportunity can rarely command it a second time. Major operational civil service reforms were talked of in the aftermath of the Second World War but there was a quick reversion to type and old ways of working. The opportunity was lost.

Speed is crucial. As the warm glow fades and the pendulum of public opinion swings towards scrutinising the COVID-19 response and future deficit reduction, government action will only succeed if it has advanced far enough along to demonstrate substantial initial value and mobilise and inspire society with its long-term vision.
The past 18 months have tested the public sector’s resilience and agility to the limit. We’ve seen it in the Department for Transport’s response to the collapse of Thomas Cook through to the response of the Department for Environment, Food and Rural Affairs and the Environment Agency to flooding in the North and Midlands. And, of course, the most striking example, winning hearts and minds, is the response of the NHS to the coronavirus pandemic.

In the wake of these challenges we’ve seen expectations rise, behaviours alter, industries change and existing strategies rendered redundant. While the emphasis for many has been on when society can restart, we can’t simply pick up where we left off.

We must use this injection of pace and urgency to drive a renewed imperative and build a positive human future.
We must use this injection of pace and urgency to drive a renewed imperative, to unlock the ingenuity in our organisations and build a positive human future.

None of this will be easy. The change required is complex and difficult. But now is the moment to think big and act with bold ambition. If not now, when?

Just as previous generations sought to embed stability or spread prosperity across wider society, the clarion call now is for us to be the generation that made public services – and society – better for all.

We’ve identified four practical ways leaders can respond:

1. **Speak and act with greater collective impact**

2. **Radically rethink to meet evolving priorities**

3. **Unlock efficiencies and harness new talent**

4. **Encourage and incentivise greater collaboration**
1. Speak and act with greater collective impact

At no prior point in our lifetimes have business and society been as open and receptive to civic life and to strong public sector leadership.

With robust public support for government action and high levels of trust in our institutions, the sector has a unique opportunity to reinvigorate its purpose and deliver with renewed impact as an enabler of change and driver of growth.

From bus drivers to NHS porters, and from medical companies to ventilator manufacturers, the sector and its supporting cast has won heads and hearts in the last few months and stirred a sense of pride and purpose. Now leaders must look to build long-term positive habits with a focus on three things:

Harness momentum to set an inspiring vision

Recent months and years have seen the world’s global corporations move from emphasising profit over purpose to valuing stakeholders as much as shareholders. These private sector leaders have realised that the power of purpose is an asset, a mobilising force and a reason for being. And this energy has only strengthened lately. Public servants have always had this strength of purpose and, with their service never more conspicuous or appreciated, it’s time to build on that purpose to achieve more.

The power of purpose is an asset, a mobilising force and a reason for being.
As we move from response to recovery, leaders can set a vision that taps into the energy and commitment of the present to shape a positive human future. An aligned set of inspiring, focused goals at all levels – across community, healthcare and security, for example – will collectively provide optimism for change and inspire action.

After all, one of the most compelling and attractive commodities is belief. It’s what makes people take pay cuts to work for startups or go it alone. It’s what has driven the delivery of ventilators to the NHS at record speed. And it’s what each of these visions will require to inspire a new way of doing things.

It’s the approach taken when designing the UK’s regulator for space flight. This set a new vision for UK space flight inspiring satellite companies, television broadcasters, broadband providers, rocket startups and a host of other participants to explore growth opportunities and enhance the UK’s strategic player status. And it’s how NHS England mobilised thousands of GPs to support the COVID-19 response in GP practices, out of hours services, NHS 111 online and urgent care centres.
Shape markets, don’t just repair them

Historically, government’s tendency to only intervene reactively in moments of crisis has hampered its ability to make the right type of intervention in terms of timings, market understanding and response capabilities. This sticking plaster approach makes intervention more difficult and removes government from the growth agenda.

With a renewed, strengthened voice, government can shape, not just repair, markets – delivering higher-quality interventions that are reflective, not just responsive; strategic and thoughtful rather than tactical and rushed; steering markets rather than propping them up. For example, any intervention in the energy market could require providers to invest in a wider mix of future energy sources, addressing the climate change agenda not just supporting the economy.
With government currently holding a higher degree of influence, it’s in a position where it can apply a renewed focus to the social value in public procurement and shape markets to better serve us all. An example of this is where the Ministry of Defence contracted Future Biogas and EDF to source 95 per cent of electricity for RAF Marham in Norfolk from local fermented crops.1

Such action calls for new skills and capabilities. Government will need to ramp up its ability to inform and enact turnaround strategies, operational agility and business transformation. It needs to become more data- and insight-driven, future-oriented and adaptive. This calls for a ramping up of skills and for a wider pool of talents to be available on demand when interventions and other programmes require them (see page 37).
And, while we’ve seen encouraging progress over the last few years, regulators will need to continue setting the pace rather than playing catch-up. This work is already reaping results. Prior to the pandemic, more than three-quarters of consumers viewed regulators as good for the public and good for business. They have support to speak out and to do more. And more regulation doesn’t mean more red tape. It means a smarter response to a world that is nuanced and evolving constantly.

When setting up regulators, we’ve found that effective regulation occurs when the body has the power to enforce but also to champion industry. Regulators need to be more comfortable with trying new approaches and techniques and being agents of change. More than ever, they need to be prepared to take risks and admit to past mistakes.

And, as markets reshape to adapt to the changing demands of COVID-19 and Brexit, regulators will need to take a broader view of international regulation and co-operation opportunities to act as a balance to national views and positions.

We’ve already seen some regulators adopt this way of thinking. New regulators such as the Office for Students and the Payment Systems Regulator are bringing a clearer voice to those they protect. The UK’s regulatory sandbox approach, which allows businesses to test new products and services in a safe environment, has been hugely successful and internationally acclaimed, but is starting to show limitations as the sector grows and matures. A broader framework needs to be developed with industry to reflect the expansion of the fintech sector and ongoing regulatory development of maturing firms.
TIME TO RETHINK, NOT JUST RESTART
Drive innovation while reducing the deficit

With coronavirus and the subsequent restrictions raising the deficit and public debt, government must balance and blend two forces typically viewed as being in competition – innovation and cost control. But public sector leaders should view these forces as symbiotic, not competitive.

There needs to be a move away from talk of cost-cutting versus investment. This means taking calculated, smart risks where the trade-offs will not just save millions but deliver transformative benefits to society. The right innovations can drive greater efficiencies, boost productivity and spearhead economic recovery.

Of course, government will need to tighten the fiscal taps given the serious financial consequences of the coronavirus, diagnosing and addressing costs in an attempt to stabilise the economy. But a mindset shift is key. Cost control should be seen as a source of innovation rather than as an inhibitor.

Doing so can enable the public sector to be viewed as a value creator, with the ability to inspire the private sector and investors into innovation spend. And the sector has a proud innovation heritage to speak of. All the technology that made the iPhone so highly prized – the internet, the Global Positioning System, touchscreen display and even the voice-activated functionality – were driven by government before being scaled by technologists, engineers and designers.2
Public sector leaders should view innovation and cost control as symbiotic, not competitive, forces.

One example could be to double down on commitments to the British Advanced Research Projects Agency (Barpa). The demands of a complex world call for the ability to make better decisions and smarter responses. And this requires high-risk, high-reward research in transformative areas such as artificial intelligence (AI), data and quantum computing.

Barpa can use the jolt of coronavirus to build a Britain that lives on the digital frontier with full-fibre broadband, new 5G networks and smart technologies. It’ll enable the sector to connect people to jobs and opportunities, regenerate Victorian infrastructure and drive a new industrial revolution. The ambition should be that high.
2. Radically reimagine to meet evolving priorities

The pandemic has underlined the need for good government and how effectively it can respond to new challenges in an agile way.

But it’s not just the public sector that has proven its adaptability. Society has too. Citizens have rapidly taken to remote working and new information sources. And their expectations around digital delivery and engagement has been recalibrated. It’s the biggest leap forward in technology adoption since the mobile phone.

To prepare all areas of the public sector for the emerging new reality, radical rethinking is needed with a focus on three actions:

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Keep the citizen at the heart of everything you do

Large parts of the sector have long spoken of being citizen-centred while simultaneously recoiling from mention of the word ‘customer’. But it’s by thinking of citizens as customers that leaders can take advantage of behavioural economics and customer experience thinking, all of which will focus activities on how to deliver against people’s needs.

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TIME TO RETHINK, NOT JUST RESTART
It’s the perfect time for the sector to reshape its relationship with its citizens. The public has never had such a high level of interest in or felt closer to the state. In recent weeks more than 50 per cent of the British workforce has been in the pay of government as contracted workers or through the furlough scheme.\(^3\) While this connection has been forged through words and action, it’s the latter that will create permanent change and prove the authenticity of commitments.

Market structures are one area to address. For instance, while the existing structure of the NHS has increased productivity, it hasn’t tackled health inequalities, life expectancy and other key outcomes. Nor has it facilitated the collaboration required to deliver integrated care.
To meet customers’ ever-rising expectations, the ongoing relationship between the public and private sector will also require rethinking. Recent weeks have shown the two can work in tandem to deliver outcomes at speed. Up to March, the NHS was synonymous for many with the entire healthcare system. But the coronavirus quickly demonstrated that the NHS is just one part of a system. It deals with care delivery - and does so brilliantly. When it comes to testing, developing vaccines and the wider supporting infrastructure and manufacturing capabilities required of an advanced healthcare system, it looked to the private sector.

Fresh from a vivid reminder of the value of collaboration, a window of opportunity exists to design a new, modern healthcare system that helps people access the best knowledge and skills across the old public/private divide.
Set a new bar for digital services

We’re all quickly getting to grips with new ways of working and new technology, and with people and organisations across the country communicating, collaborating and doing business in new ways.

As citizens adjust to efficient new realities, appetite for the old will quickly dissipate. While some face-to-face contact will remain vital, those who have booked virtual consultations with their GP, for example, will have seen how the digital approach maximises convenience, safety, speed and productivity.

The real question across the public sector is, what next? Social care is one major area of opportunity. Wearable devices, electronic at-home diagnostic devices and other technologies can help people live in their own homes and improve life quality – all while bringing cost savings. And consumer devices such as Amazon Echo devices can help users feel less isolated and more independent. We’re also trialling ‘cobots’, or collaborative robots, that enhance carers’ abilities to lift service users safely and consistently.

Again, this requires some frank conversations. In some instances digital delivery will lessen the need for human interaction, such as in adult social care settings – where pilot groups of care receivers may rather receive certain aspects of care remotely or from robots. This alleviates pressures on more scarce and valuable resources – people – freeing carers to focus on where they offer most value.
TIME TO RETHINK, NOT JUST RESTART
Traditionally, the public sector has found digital tools tough to develop due to financial limitations and skills shortages. As the sector seeks to capitalise on technologies such as AI and automation, robotics, the internet of things and shared platforms, it’ll need to align policies, operating models, digital services, IT enablers and skills. And it’ll be those with the right existing relationships and partnerships best placed to step up and respond.

We’re already using government-provided data to help councils triage support to shielded people. Our wellbeing automated call service is contacting the vulnerable to assess if they need support and automatically deletes any data after five days. Used correctly and ingeniously, data is a powerful enabler of personalised – and better – care.
Internal challenges will also need to be overcome. Often it feels like there are chasms between digital and other areas, with different areas working without integration or collaboration. When a new UK regulator was looking to deliver several new digital services, the digital team knew what best practice was but found it impossible to implement because of a misunderstanding between policy and delivery.

We initiated best-practice business engagement processes to ensure their representatives engaged fully in the delivery process. Although there was reluctance at first, both sides eventually understood that without collaboration their services would never work.

All of this only scratches the surface of the full opportunities available. Leaders should also be exploring a range of other paths: hackathons with the public; using blockchain to make healthcare systems more resilient; and revisiting legislation around data protection and privacy to balance the needs and expectations of citizens while harnessing the full capabilities of AI, drones and robots.

Using a ‘think big, start small, scale fast’ approach, arm’s-length bodies and local authorities can be at the forefront, acting as incubators for new ideas and approaches and quickly scaling those with the greatest value potential.

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Arm’s-length bodies and local authorities can act as incubators for new ideas and approaches.
Utilise wider measures of value

Over the past decade we’ve seen public sentiment shift around attitudes to topics such as single-use plastics and the coffee cup levy. What started as moments quickly morphed into movements.

We’re seeing the same shift now to purpose and social value. Social good is already recognised as being as important as shareholder value in the biggest private sector organisations, and recent polling indicates a sizeable majority of the public would rather the government focus on health and wellbeing rather than economic growth, though the two aren’t mutually exclusive. Many join the public sector precisely because of the social good it does. And yet the public sector is still largely wedded to archaic measurements of value.

Crucially, social value doesn’t compete with value for money. It’s part of it. The next frontier is to look at three particular measures: prosperity, people and planet – encompassing the employment of and training for disadvantaged groups, driving workforce health and wellbeing, and greater diversity, inclusion, equality and accessibility. And wider value also means looking beyond the current budget and election cycles to the return on investment over the life of a programme or initiative.

It’s the approach taken in helping the UK’s cross-government £1.2 billion Prosperity Fund track the impact taxpayers’ money is having. Teams from 24 programmes have defined what they want to achieve and developed indicators to track their progress. The system can, for instance, illustrate the overall impact of a programme by measuring job creation and social inclusion.
This brings benefits to both society and employees. For decades the public sector has come second to the private sector in the race for top talent. But in a world where employees seek purpose and the ability to meet clearly defined outcomes, the public sector can seize the talent advantage. People want jobs they believe will make a positive impact on the world. They want to bring the energy, passion and commitment of a startup into their working lives. Finding a way to do that – and demonstrate it – will attract scarce skills, engage employees, retain talent and ultimately power performance.

In a world where employees seek purpose and the ability to meet clearly defined outcomes, the public sector can seize the talent advantage.
3. Unlock efficiencies and harness new talent

For almost a decade the civil service has been reforming itself to be an employer and service provider fit for the 21st century. Now the last few months have driven change at unimaginable speed.

The achievements we've seen recently have been incredible. Projects and collaborations that would have appeared impossible have been realised over and over, such as the Driver and Vehicle Standards Agency enabling those vital to the coronavirus response to have access to a new online booking service for an urgent driving or theory test. Joint working was achieved in less than two weeks instead of the usual two years. Leaning on science has become the norm and working closer to the front line has made outcomes all the more effective.

Now sector leaders need to make the good bits stick. There's a huge opportunity to use imposed transformation to catalyse further reinvention of society and the economy. Part of that is using accelerated technology adoption to open up previously unimaginable workplace efficiencies. Sector leaders can do this in two ways:

**Empower people with the right technologies**

As the public sector rewire to serve a renewed purpose and do this at greater speed, it’ll be vital to understand the relationship between humans and machines. While technology is a vital enabler of the future, success hinges on people.
For this to happen, public sector leaders must accelerate strategic workforce planning to ensure the right talent has access to the right tools, creating a real-time interface between people and machines. This will require secure cloud and digitisation capabilities to access the widest possible pool of talent, and HR and IT capacity to deliver and scale this at speed.

Communication will be key.

While technology developments, particularly AI, have previously prompted reticence and anxiety, our research shows the right approach can create more jobs, not less, provide more interesting roles and help unleash greater ingenuity. Over 43 per cent of organisations implementing AI and automation over the past five years have seen more jobs as a result.

We foresee opportunities for diverse, geographically spread talent. This diversity fulfils the ambition to draw upon a wider array of specialisms and create a new type of workforce. It’s a world of remote, agile working where the physical headquarters – if it exists – is supported by disparate, diverse multispecialists that co-create outcomes and are assigned to programmes rather than siloed functions.
This approach allows the sector to find new talent pools both geographically and in terms of working patterns, such as employing highly skilled parents working around school hours. And it’s where care workers are supported by technology to remove the burden of some manual tasks to help them focus on empathy, emotional support and more specialised needs.

Simultaneously, government has a crucial role in ensuring people are educated about and have access to the latest technology, starting at an early age in schools.
Decentralise, delay and disrupt

For too long – in part due to funding cuts – the sector has lacked the agility and adaptiveness to respond to short-term disruption, focusing instead on large multi-year transformation programmes. In the future, those able to respond most quickly to world events, to local and national incidents and to central policy will be best placed to deliver citizens’ goals.

Adaptive organisations survive by evolving their structures, systems, workforce and culture.
This isn’t radical. It’s something the private sector – and elements of the public sector – have tested, refined and proven. Our research found that the top 10 per cent of businesses by financial performance are almost 30 per cent more likely to display agile characteristics. Public sector leaders should study the blueprints.

Adaptive organisations survive by evolving their structures, systems, workforce and culture and ensuring they derive maximum value from data. It’s how the Defence Infrastructure Organisation (DIO) redefined itself as a better, more efficient and more customer-focused organisation. An agile approach allowed DIO to flex in line with changing priorities as pressures on the business changed, while continuing to work to the targets set by defined outcomes.

While some areas of local government have been very innovative in recent years, there’s an opportunity to do more. Empowering local teams can create bottom-up change, uniting diverse services such as housing, benefits and revenues services, and social care, making them work more closely and innovatively.

Imagine the change possible if local government more commonly piloted new service delivery models or digital solutions with sample customer groups before embarking on end-to-end service redesign projects. This is the approach the National Institute for Health Research took to develop a public-facing web portal for dementia research. Customers fed back on iterations of the portal as it was developed in a series of fortnightly sprints, enabling launch in just 16 weeks.
4. Encourage and incentivise greater collaboration

Recent events have broken silos and allowed for greater mobility of skills and innovation. It’s shown that the art of the possible triumphs over the permissible. Public sector workers have stepped outside of their confines to deliver against a clear purpose.

In our new world it’s no longer conceivable that a single public sector entity can operate independently. Whatever the aim, every effort requires skills beyond those of any one individual, team or organisation.

There’s no single ‘right’ way to collaborate. Leaders must take a strategic view to collaboration based on a shared understanding of the available options and the opportunities and risks each represent. And public sector leaders must also focus on two actions:

**Pool the skills that matter most**

Making the most of existing skills is a crucial aspect of successful transformation. Projects need programme and project managers to keep them moving. These experts, like those in change management and business analysis, tend to be tied to individual departments. And yet these skills have never been in more demand.
Having a pool of these skills across the sector would ensure they’re available where needed most rather than being beholden to individual departments. It’s a move to policy-as-a-service, making the service work for users rather than running along fixed tracks.

This team ethos exists today and is most visible during high-intensity military or humanitarian operations, and when military and civil authorities co-operate in response to severe weather and the ongoing pandemic. But being greater than the sum of our parts can become a permanent condition.
Take UK defence and national security, for instance. Keeping pace with new threats – let alone getting ahead of them – requires the ability to pool resources and use data, information and knowledge more effectively. It calls for new ways of working to make the best use of scarce skills and build trust among colleagues across defence, intelligence, counterterrorism, organised crime, ‘blue light’ services, cyber security, national resilience, diplomacy, international development and aid.

Pooling these high-cost, high-tech resources, when combined with agile organisational design, offers a fresh path to operational success through information superiority. This path will address emerging threats, save money and better deploy resources.

And this approach could and should be replicated across the public sector, leveraging flexible, multidisciplinary talents and technologies in line with rapidly shifting requirements.
Incentivise collaborative behaviours

With a renewed purpose and adaptive capabilities, public sector leaders will be primed to meet the demands of the new reality – as long as they’re able to embed and maintain the right collaborative behaviours.

This goes beyond physical or remote working infrastructures and technology architectures. Collaboration happens when organisations encourage people to discover, apply and share learning from other organisations and sectors, with an open invitation to constructively challenge the status quo. It’s a way of working that encourages and prizes cross-functional interaction and experimentation; where people and teams prioritise flexibility and responsibility to deliver the right outcomes.

It needs to be clear that those who embrace this ethos will progress faster and go further.
To embed this change it needs to be clear that those who embrace this ethos will progress faster and go further. Organisations should recruit, reward and promote those who seek to remove collaboration barriers rather than adopt methods and approaches built around silos. Leaders can also consider measuring actions and behaviours alongside more rigid key performance indicators. Cross-functional and inter-organisational collaboration will become standardised through widespread adoption of this way of working.

Moving to a truly collaborative culture is a significant, often slow-burning challenge for any type of organisation. But its importance cannot be overstated in order for the entire workforce to achieve its potential and deliver against a renewed imperative.
A MOMENT TO DELIVER LASTING CHANGE

Seventy-five years on from the end of the Second World War, our present moment offers the most significant opportunity to renew and rebuild since the post-war generation.

Our organisation was born out of the ingenuity required to meet the war effort 75 years ago. In that time, we’ve helped public sector clients progress and deliver a more positive human future. In the post-war years our founders sought to help our clients ‘make two blades of grass grow where only one grew before’ and reduce costs, increase returns and reshape society. Our solution? Innovation.

Since then, innovation has gone from something that happened in our laboratories to become an end-to-end approach to how we work.

Every day, our diverse teams of scientists, engineers, technologists, digital experts and designers come together to create breakthrough innovations that solve some of the biggest challenges, from establishing the first competitive electricity market through to responding to the government’s ventilator challenge.
Seizing this renewed imperative, we can deliver lasting change.

Seizing this renewed imperative, we can deliver lasting change – preserving the best parts of the existing system while finding new, imaginative ways to draw on the innovation we know can come about as a result of collaboration. We call it bringing ingenuity to life.

The ingenuity we’ve seen in response to COVID-19 proves what we are capable of together.

The people of the UK deserve – and will expect – nothing less.
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Endnotes

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2 ‘The entrepreneurial state’, marianamazzucato.com, visited 18 May 2020

3 ‘More than half of all adults now paid by the state’, telegraph.co.uk, 4 May 2020

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About PA

We believe in the power of ingenuity to build a positive human future in a technology-driven world.

As strategies, technologies and innovation collide, we create opportunity from complexity.

Our diverse teams of experts combine innovative thinking and breakthrough use of technologies to progress further, faster. Our clients adapt and transform, and together we achieve enduring results.

An innovation and transformation consultancy, we are over 3,200 specialists in consumer, defence and security, energy and utilities, financial services, government, health and life sciences, manufacturing, and transport. Our people are strategists, innovators, designers, consultants, digital experts, scientists, engineers and technologists. We operate globally from offices across the UK, US, Europe, and the Nordics.

PA. Bringing Ingenuity to Life.