Public Chairs' Forum & Association of Chief Executives

Value for Money Webinar, 11 May 2020: Event Summary

Our panel:

Sir Michael Barber, founder and Chairman of Delivery Associates and Chair of the Office for Students

Dr Gemma Tetlow, Chief Economist at the Institute for Government

This seminar invited members to consider the importance, and challenges, of demonstrating value for money to the public and wider government – particularly in light of Covid-19.

As public bodies are operating in an environment of financial uncertainty, there is significant impact on the long-term decisions that leaders are able to make. We discussed how best to demonstrate financial prudence and what the implications may be for the next spending review.

Key points of discussion	
Resilience	*'Value for Money' will still be a factor by which public bodies will be judged – but possibility with less emphasis.* Post-Covid it may be accepted that previous drives for efficiency have led to less resilient public services, and this may be reflected in the next spending review.
Delivery	*Whilst accepting that we will have to adapt our priorities, it is important not to let all other aspects of business drop off.* One option is to focus efforts on a dedicated delivery unit that will consistently work towards your objectives – even if, as a leader, your focus has to be elsewhere at times.
Culture change	*There will be long-lasting changes and significant opportunities to learn lessons from this crisis.* From how 'levelling up' regions remains a priority in an increasingly work-from-home world, to whether the public agrees that we might need to spend more to build resilience into our public services, now is the time to have these frank conversations.

Fiscal uncertainties – and what we do know

We cannot be certain of government thinking in relation to the next spending review. However, another one-year spending settlement is likely, postponing a comprehensive spending review until next year while the full impact of coronavirus is considered. There will also likely be a desire to take a systems-wide approach to spending, for example in the criminal and justice system where 'value for money' is evaluated across government departments from policing to courts to prisons.

Prior to Covid-19, the budget suggested that the era of austerity was over, with spending across departments boosted until 2021. The extent to which any money may now be clawed back from public services remains to be seen. The crisis has also highlighted the issues of social care, and the immediate need for a coherent strategy, which will likely be reflected at the next spending review.

An alternative vision for the economy?

There are big questions to answer when shaping future economic policy. Who will pay for the crisis? Will the young bear the brunt? How can one reign in support to businesses so that they operate on their own again? Are there any industries that are so vital for resilience that they should benefit from broader business support measures or even insourcing, for example those that produce PPE?

The societal and educational consequences will also need careful consideration. For example how will learning deficiencies of children be compensated for and will there be extra education offered? What happens in the case of a second peak? More clarity on these issues is needed for leaders to plan for the future, for markets to regain confidence, and for government operations to gain public trust.

"As you can see, at this stage, there are many more questions than answers."

One of the few certainties is that radical advances have been made to ways of working across sectors that would have previously taken decades, or even be deemed impossible. While value for money has previously been judged as 'getting better outcomes for less public money', the future may call for a more nuanced approach towards what 'value' means long-term.