

THE CHALLENGE OF CO-PRODUCTION

How equal partnerships between
professionals and the public are
crucial to improving public services

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“Co-production changes all this. It makes the system more efficient, more effective and more responsive to community needs. More importantly, it makes social care altogether more humane, more trustworthy, more valued – and altogether more transforming for those who use it.”

Phil Hope MP, then Minister of State for Care Services, March 2009¹

“The public become, not the passive recipients of state services, but the active agents of their own life. They are trusted to make the right choices for themselves and their families. They become doers, not the done-for.”

David Cameron, January 2007²

“We should not all be supplicants at the state machine, but enabled to take charge of our health.”

Nick Clegg, The Liberal Moment, 2009³

EXECUTIVE SUMMARY

There is no doubt that the idea of ‘co-production’ has arrived in the UK. Policymakers are using the term in their speeches, and it is increasingly appearing in Whitehall strategy documents and think-tank reports.

This is important and exciting for those of us who have been trying to shape a new conversation along these lines, arguing that the key to reforming public services is to encourage users to design and deliver services in equal partnership with professionals. The time seems to have arrived for the idea that the users of public services are an immense hidden resource which can be used to transform services – and to strengthen their neighbourhoods at the same time.

The reason for this interest is simple. While policymakers might not always be able to acknowledge it, previous approaches to the reform and improvement of public services have largely run their course. In some areas, they have produced important improvements, certainly. But our public services face an unprecedented set of challenges: increasing demand, rising expectations, seemingly intractable social problems and, in many cases, reduced budgets. Reform can’t confront these challenges effectively; radical innovation in public services now needs to move from the margins to the mainstream. The question is what analysis and principles should inform this radical innovation.

As we argue in this paper, co-production as a new way of thinking about public services has the potential to deliver a major shift in the way we provide health, education, policing and other services, in ways that make them much more effective, more efficient, and so more sustainable.

There is an emerging co-production sector in the UK which is enormously vital and innovative, even if it is not yet quite aware of itself. It is a crucial aspect of the emerging debate on localism and mutualism in public services.

The difficulty is that, as always with new ideas, co-production is often used loosely to cover a range of related concepts. There is no agreed definition, nor are many people yet clear about where the idea came from or its full implications. We are in the early stages of understanding how co-production can transform mainstream public services – and yet there is an understandable urgency amongst policymakers to find new approaches that work. This is then a potentially creative moment for public services, as well as a dangerous one.

This is the challenge of co-production – it provides a strong critique of existing approaches to reform, but it requires a stronger agreed understanding and evidence base in order to make a real impact in policy and in mainstream public services.

This paper provides the basis for both a better understanding and a stronger evidence base for co-production. Given the current diversity of uses of the term, this paper also explains what co-production isn’t. It demonstrates why, properly understood, co-production looks set to create the most important revolution in public services since the Beveridge Report in 1942. It diagnoses why public service reform is stalled, and why a radically new approach – sharing the design and delivery of services with users – can break this logjam and make services more effective for the public, more cost-effective for policymakers, and more sustainable for all of us.

One paper doesn’t provide all of the answers we need. In the spirit of co-production, further progress in this area needs to be based on the ideas and experiences of public service professionals and the communities they work with. This publication marks the beginning of a partnership between the nef (new economics foundation) and NESTA to develop the evidence base on co-production – working with and learning from frontline practitioners in particular – and from this to develop proposals to promote a more positive environment for co-production in our public services and in policymaking.

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PART 1: THE CRISIS OF REFORM IN PUBLIC SERVICES

When William Beveridge laid the foundations of the welfare state more than six decades ago he called it a “*revolutionary moment in the world’s history – a time for revolutions, not for patching*”.⁴ Anna Coote and Jane Franklin have described our own time in similar terms.⁵ Britain’s welfare state wields massive power and influence over the shape of society and the fortunes of the country as a whole. But through 60 years of peace and plenty, it has not managed significantly to narrow inequalities of income or health or to strengthen social solidarity. Neither, in general, has the welfare state successfully tackled the underlying reasons why problems emerge in the first place. Now it also has to cope with the implications of environmental degradation, an ageing society and a dysfunctional global financial system. Something has to change.

The reason our current services are so badly-equipped to respond is that they have largely overlooked the underlying operating system they depend on: the social economy of family and neighbourhood (what has been called the ‘core economy’, for which see below). We can no longer rely on continuing economic growth to provide enough finance for public services, or on pseudo-market mechanisms to make sure they are efficient. Because the financial system is unreliable, markets can’t tackle inequalities, and because unchecked growth puts the planet at risk. If we are to avoid a massive decline in the scope and ambition of our services, we need a new idea to reshape them.

Our public services have become constrained by the New Public Management of centralised targets, deliverables, standards and customer relationship management software, which has narrowed the focus of many services and often undermined the relationships between professionals and patients, or between teachers and pupils. Contrary to the hopes of many policymakers, artificial divisions between different categories of users, between professionals and

clients, and between different service budgets, have all served to make the system more inflexible than before.⁶ If we are to make sure our public services are significantly more effective, we need a significant new idea to reshape them.

This is the background to the emergence of co-production, and explains why its advocates are using it to free up the concrete structures and procedures of public services to make them more effective and cost-efficient. It also explains why some policymakers are looking back to the pre-Beveridge welfare state for solutions, learning from mutual institutions and local self-help organisations which provided the backbone to welfare before the Second World War.

Welfare settlements since 1945

While capitalist economies delivered growth and prosperity, the social democratic analysis at the time was that they also produced social inequalities. The defining idea was that welfare had to soften the relationship between economy and society, to redistribute wealth and opportunity, by mitigating social inequalities produced by industrial production. This provided the framework for so-called ‘cradle-to-grave’ social security, and universal, free health and education systems.

This was designed to tackle social class inequality, but it relied on full male employment, a family wage and women’s commitment to home and family. The same assumptions were reflected in the way the services worked, where professional knowledge and judgement went largely unchallenged, and where people were happy to trust expert advice and care.

This went hand in hand with a deep distrust of informal knowledge, as well as uncertainty and scepticism on both sides of the political divide about the role of self-help, mutual aid, and social networks.

The new conservatism

This pattern was followed by Conservative and Labour governments alike, until the Thatcher Governments began to prioritise economic growth more emphatically over social and economic equality. The new approach was also informed by the continuing pockets of deprivation, and what came to be known as the 'dependency culture' which many conservative thinkers believed had grown up around the welfare state.

There was a parallel challenge to the power of professional knowledge, and people came to be seen as consumers, with voice, responsibility and a right to choose. This was used to justify greater private provision of public services, and the new contract culture and search for efficiencies – some of them real, some of them just moving costs elsewhere – which has followed.

The third way

Since 1997, the New Labour welfare settlement, or 'third way', has shaped policy and practice in the UK. Distancing itself from the old left and the new right, it was based on a pragmatic adaptation of both, and an attempt to reconcile oppositional interests across society.⁷

To critics, this now seems like a highly centralised model. It meant investing greater resources and then using targets to direct these resources at high-profile aspects of performance in public services, motivated by the need to make significant improvements in services in a short timescale.

But this approach has failed to tackle the structural inequalities that are fuelling the demand for services, instead borrowing from aspects of the communitarian tradition in the US but without providing enough local responsibility to build new social networks capable of taking some of the strain. It has also largely ignored mutual solutions, adopting the rhetoric of consumer choice without being able to provide it in a meaningful way. Despite the use of market pricing, and increased investment, demand on the system has continued to rise.

Our prevailing economic difficulties are forcing a re-think of all these assumptions. Any approach which continues to rely on increased investment seems unlikely to be feasible in the current circumstances. Also, by failing to confront the causes of deprivation and need, New Labour failed to distinguish its approach sufficiently from what went before. But this is not just about the

current economic crisis; studies like those of the NHS by Derek Wanless, and by similar experts in Sweden, agree that it will be a huge task to sustain universal welfare systems based on taxation unless we build in better encouragement for self-help.⁸

However there is a more fundamental problem which is barely being addressed at a policy level, in part because of the lack of radical new approaches in welfare inherent in the third way approach. We have created a broad welfare system that is more inflexible than it needs to be, employing staff who are in effect rewarded for their devotion to systems instead of their commitment to effective relationships with the public, a system which has become excessively risk-averse, and has yet to develop the levers it needs to enable more effective communities. Services have been re-organised in ways that are not effective for what they are trying to achieve: as the systems designer Jake Chapman put it, we are using systems that can deliver a parcel or a pizza, but which are not very effective at delivering health or education.⁹

We also now face a series of linked problems across public services which affect their ability to change. These include:

Marginal choices: The 'choice' agenda has been at the heart of policy towards public services for most of the past three decades, but there is increasing doubt about whether it has succeeded in delivering what people actually want.

First, there are some services that are not really susceptible to choice – most obviously, policing and justice. Second, the reality of provision has often failed to live up to the rhetoric of choice. In education, in effect it is schools which choose pupils, and many parents find themselves outside any catchment areas. Where service managers have delivered choices for service users, it is all too often the choice between almost identical systems – usually large, technocratic hospitals or huge schools delivering largely identical curricula.

Third, and most importantly for this discussion, where choices are possible, it has frequently been necessary to prize open the relationships between professionals and the people they serve in order to deliver it. Delivering this narrow kind of choice has meant cutting the link between people and local schools or GPs, often in the name of 'more personalised services', when the one choice that so many people want in their public services – a continuing and respectful relationship with a supportive professional – is less and less on offer.

In this way, 'choice' can represent the failure of empowerment, rather than its realisation.

Centralised decision-making: Control by centralised targets has overwhelmed efforts to innovate in many public services. It has also introduced highly complex and expensive compliance and auditing regimes, which often provide misleading data. Goodhart's Law explains that numerical data used as a target will tend to be inaccurate.¹⁰

This particularly applies to services delivered by the voluntary sector. One former member of the Bristol drugs action team complained that he had to keep his eyes on 44 different funding streams, nine different grids and 82 different objectives imposed on him by managers, funders and the government. Before he resigned, he reckoned that he and his colleagues spent less than 40 per cent of their time actually tackling drugs issues. He compared his management regime to a kind of addiction: *"Monitoring has become almost religious in status, as has centralised control"*, he said. *"The demand for quick hits and early wins is driven by a central desire analogous to the instant gratification demands made by drug users themselves."*¹¹ The target regime has delivered an illusory control to the centre, based on inaccurate data which, from the perspective of the challenges we now face, is actually hugely inefficient (see Part 2).

Narrow outputs: The spread of internal markets and a growing contract culture has meant that the ambitions of many public service agencies have been narrowed to specific outputs.¹² This has corroded the added value that public services used to create, just by being present and visible in the local neighbourhood. It has also left them more vulnerable to the constant flow of demand, and without incentive or means to reach 'upstream' to find ways of tackling the causes of the problems that threaten to overwhelm them as well as their clients. The commissioning process has often limited the pool of potential bidders for public services, excluding small business and local organisations, and has encouraged mergers between major suppliers, undermining competition and raising costs. The combination of these factors has undermined the tradition of innovation in public services, and undermined the ability of frontline staff to change the way they work to make themselves more effective.

Corroded relationships: The huge investment in public sector IT (over £70 billion in the past decade) has tended to subordinate the human skills of frontline staff to software, and has

often locked in the inefficiencies in services.¹³ These have been projects which reduce, define, standardise and control, and set processes in concrete. They also undermine face-to-face relationships that so often make the difference between success and failure. *"The inevitable, if unintended, consequence of the government's reliance on computer databases"*, wrote Jill Kirby of the Centre for Policy Studies, *"is that the tracking of information is replacing personal interaction between professionals in which the sharing of information is mediated by human contact"*.¹⁴ If relationships between professionals and clients are part of what makes change possible, then management systems that undermine these are likely to make services more expensive to run. They are driving in the wrong direction.

Prioritising processes over outcomes: Two factors have increased activity in public services in ways that are unrelated to serving the public. One has been that many public service contracts are organised so that contractors are paid per activity (for example, patient processed or call handled), no matter whether those people needed processing, which enormously increases the process without useful objectives. The systems analyst John Seddon claims that the proportion of calls to local authorities that are the result of failures elsewhere in the system may be as high as 80 per cent, and other public services deal with 'failure demand' of over 40 per cent.¹⁵ Yet there is no incentive for contractors to reduce this. Payments to hospitals are also arranged to encourage episodic treatments and re-admissions, rather than seamless and effective care. The split between front office call centres and back office processing, encouraged by successive government reviews and by the Audit Commission, has tended – when combined with complex targets – to multiply busyness in services at the expense of those who rely on them.

Manufactured demand: The increasing use of consumer language has encouraged people to behave towards public services as they would towards any commercial supplier. Equally, by focusing entirely on people's needs – rather than what they can contribute – services have tended to disempower their users and have done little to prevent needs arising in the first place. The combination of these factors has added to demand, particularly when access to professional help is rationed to those who are deemed most needy. Since services largely ignore people's abilities, their continuing need has often become their only asset in their battle for help. Responsibility and recovery has to be postponed

indefinitely – or even suppressed – for fear that support will be removed. This can be seen in the case of Employment Support Allowance (the old incapacity benefit) where people's fears about losing support is a powerful motive for preventing change, but it affects other services too. In these circumstances, demand will inevitably rise.¹⁶

These issues lie at the heart of the current crisis in our public services. The existing underlying model of public services offers what is in effect a minimal choice between similar institutions and methods of delivery, and undermines the relationships between frontline staff, their clients and each other which allow people to use their strengths to make a real difference. This is likely to lead to less successful organisations, more mistakes, less imagination and more simplification.

This is directly related to rising costs. If human relationships are removed from the delivery of public services in the name of 'efficiency' – either between professionals and users or between users and friends and neighbours – then this undermines innovation, flexibility and learning, and the ability of any public service organisation to achieve its objectives creatively and effectively.

As we will see, co-production has emerged as a critique of the way that professionals and users have been artificially divided, sometimes by technology, sometimes by professional and managerial practice, and sometimes by a spurious understanding of efficiency. It provides an alternative way for people to share in the design and delivery of services, and contribute their own wisdom and experience, in ways that can broaden and strengthen services and make them more effective.

PART 2: WHY EFFICIENCY ISN'T EFFECTIVE

All eyes are now focused on the budgets for public services, with suggestions that the NHS alone will need to find savings of £15 billion to £20 billion over the next few years (and health is likely to be one of the favoured services, given cross-party pledges not to cut funds in this area).¹⁷ Yet the focus on efficiency savings is not new. Since Peter Gershon's 2004 review of public sector efficiency, annual targets (of between 3 and 10 per cent) of cashable savings have been demanded from public sector budgets. Gershon has been superseded but the core objective remains. 'Efficiency' has become the driver of public service reform.¹⁸

Government expects local public service commissioners to put efficiency – defined in a narrow financial sense – at the heart of public service contracting, to be achieved through market mechanisms, shared centralised services and mimicking private sector discipline. Whilst Gershon suggested that savings would release resources for the frontline, evidence suggests that this kind of short-term financial efficiency tends to squeeze out the broader considerations of positive social and environmental outcomes – even though these might be crucial to making services more effective and so cutting costs in the longer term.¹⁹

Contracting-out services based on this narrow model can also have the inadvertent effect of preventing more cost saving, because contracts are based on payments for activity, which gives little incentive to provide cheaper or more effective alternatives. Contracts also tend to obscure actual costs behind a veil of 'commercial confidentiality'.

HM Treasury's guidance defines value for money as *"the optimum combination of whole-of-life costs and quality (or fitness for purpose) of the good or service to meet the user's requirement"*. The Treasury Green Book goes on to emphasise that *"value for money is not the choice of goods and services based on the lowest cost bid"*, but that *"wider social and environmental costs and*

benefits for which there is no market price also need to be brought into any assessment". Yet in reality, resources tend to be understood solely as public sector finances or the public purse. This means that people and natural resources are neglected. The only inputs that are counted are those with financial value. Through this lens, the efficiency ratio demands a focus on price reductions or cost savings.

The danger in this cost-efficiency game is that it creates a 'race to the bottom' in public service provision. Shorter-term horizons are fed by ever narrower outputs. This trajectory becomes even more problematic in current financial circumstances. Many proposals to save money assume that services will remain essentially unchanged – doing the same thing, only trying to do it more cheaply – rather than focusing on far-reaching reforms that prevent needs arising and provide better outcomes. If public services are to become genuinely better and efficient, they must focus on maximising positive outcomes defined in terms of public benefit, rather than merely minimising costs, and move upstream to tackle problems before they become critical. We need radical innovation so that public services can make real inroads into tackling prevention, reducing demand for expensive critical services. It is here that substantial future savings will be found. Yet the current narrow focus on efficiency inadvertently undermines that possibility.

The current model for public service reform focuses attention on easily costed and easily delivered changes, siphoning attention and money away from preventative interventions, which are often more difficult to model. Yet there are difficulties measuring success in terms of narrow efficiency on the basis of outputs alone, which can be extremely misleading. It is quite possible for agencies to deliver services that meet a wide range of process targets yet still fail to improve outcomes for those they are supposed to benefit.

In 2007-8, the Public Administration Select

Committee looked at public services and the third sector. They agreed with the new economics foundation (nef) that 'added value' is exactly what the state should be looking to achieve in society. They urged public service commissioners to look at the costs and benefits of the wider effects of any service, rather than just at the outputs described in the contract. This would not only make services more efficient; it would make them more effective too. They said:

*"The critique ... calls into question the entire direction of public service reform, with an emphasis on easily measurable financial efficiency over harder-to-measure indicators of effectiveness – particularly those of wider social and environmental benefits. Their [nef's] suggestion of a new model for measuring the effectiveness of services ... certainly warrants consideration at the centre of government and beyond."*²⁰

This may not be an easy shift to make, but – given that only a tiny proportion of public spending goes on prevention, or on creating the social networks that can insulate people from future problems – the present balance of spending is certainly not efficient. For example, as a Total Place pilot area Birmingham has measured where all the public money is spent over the same area, and has found that less than 2 per cent of health spending goes on preventing ill-health.²¹

Despite recognising this fundamental inefficiency in where money is spent, reformers also run up against the narrow service-focused efficiency model in trying to make savings, for example in relation to where savings accrue. Jason Lowther, director of policy and delivery at Birmingham City Council, has said: *"Parenting classes have been shown to work, and for every £1 spent by council, £4 comes back to public sector. But only £1 of this comes back to the council itself, so we spend £1 to save £1 – that's OK, but not exciting. And the other partners get £3 back, for no action. So we are starting to have conversations about how we can get more payback."*²²

There are also some major barriers to progress that can only be addressed nationally. One big stumbling block is the timeframe over which success is currently measured. Lowther recognises that *"the existence of short-term financial horizons, make expenditure impossible if savings are only accrued in several years' time. So we need to talk to the Treasury about looking longer – can we look over a three or five year period, or 10 or 15 year periods?"*²³

While co-production can compete financially against the other services in current narrow efficiency terms, we need to be able to bring broader objectives onto the balance sheet before the full value of the approach is going to be recognised, counted and costed.

PART 3: WHAT CO-PRODUCTION IS

A key challenge for the next 12 months is to work with practitioners and the public to generate a description of co-production that captures the value of the approach, but is informed by and directed towards practical application. For the purposes of this paper we will use the following working definition:

Co-production means delivering public services in an equal and reciprocal relationship between professionals, people using services, their families and their neighbours. Where activities are co-produced in this way, both services and neighbourhoods become far more effective agents of change.

Our welfare state has improved the lives of millions of people over the past three generations. But it has not, generally speaking, made people healthier and more self-reliant, as the Beveridge Report suggested it would. As we have seen, far from a gradual reduction in costs and demands for services, the very opposite has been happening. The co-production critique suggests that the conscious or unconscious maintenance of service users as passive recipients is not just a waste of their skills and time; it is also the reason why systemic change doesn't happen.

When people are never asked to give anything back, and when the assets they represent are ignored or deliberately side-lined, they atrophy. The fact that social needs continue to rise is not due to a failure to consult or conduct opinion research, or even a failure to find enough resources. It is due to a failure to ask people for their help and to use the skills they have. This is a key insight from the idea of co-production. Co-production theorists suggest that this is the forgotten engine of change that makes the difference between systems working and failing.²⁴

The central idea in co-production is that people who use services are hidden resources, not drains on the system, and that no service that ignores this resource can be efficient. The people who are currently defined as users,

clients or patients provide the vital ingredients which allow public service professionals to be effective. They are the basic building blocks of our missing neighbourhood-level support systems – families and communities – which underpin economic activity as well as social development. This was the insight of the human rights lawyer Edgar Cahn, who developed the idea of co-production into a practical proposition for public services (see Part 4). Cahn uses the analogy of a computer, which runs powerful specialised programmes, all of which rely on a basic operating system without which they cannot individually function.

In the same way, our specialised services dealing with crime, health or education, rely on an underpinning operating system that consists of family, neighbourhood, community and civil society. The economist Neva Goodwin called this operating system the 'core economy'.²⁵ The consequences of failing to recognise and support this core economy are all around us: isolation, time poverty, low levels of trust, engagement or social infrastructure. Just as we have been responsible for free-riding on the environment because its value was hard to establish, we have been blind to how important the core economy is.

Models of public service reform that fail to value the core economy and help it to flourish, relying more on price signals and narrow legal contracts of service delivery, are part of the problem rather than the solution. Co-production suggests ways we can rebuild and reinvigorate this core economy and realise its potential. It suggests that public services need to be turned inside out, so that they can rediscover the human resources and remake the social networks that reduce demand on professionals and support public service interventions to succeed. This means that we must unleash the huge wasted resource represented by the recipients of services, and their families and neighbours.

Co-production shifts the balance of power, responsibility and resources from professionals

more to individuals, by involving people in the delivery of their own services. It recognises that “people are not merely repositories of need or recipients of services”, but are the very resource that can turn public services around.²⁶ Co-production also means unleashing a wave of innovation about how services are designed and delivered and how public goods are achieved, by expecting professionals to work alongside their clients.

Co-production is central to the process of growing the core economy. It goes well beyond the idea of ‘citizen engagement’ or ‘service user involvement’ to foster the principle of equal partnership. It offers to transform the dynamic between the public and public service workers, putting an end to ‘them’ and ‘us’. Instead, people pool different types of knowledge and skills, based on lived experience and professional learning.

PART 4: HOW CO-PRODUCTION WORKS

Co-production emerged in the social sciences nearly four decades ago. The idea was first articulated by the 2009 Nobel prize winner for economics, Elinor Ostrom, and her team at Indiana University, who coined the term ‘co-production’ in a series of studies of the Chicago police in the 1970s. Ostrom was trying to explain why the wholesale adoption of centralised service delivery through large institutions was less effective than people had predicted.²⁷ She needed a word to convey what was missing when the police abandoned their close involvement with the public on the beat, and became more distantly involved in patrol cars: it was that element of successful policing that only members of the public could provide to make sure services worked. It was Ostrom’s team who defined co-production as the *“process through which inputs used to produce a good or service are contributed by individuals who are not ‘in’ the same organisation”*.²⁸

What began as an academic definition was developed into a practical agenda for system change by Edgar Cahn.²⁹ Cahn used co-production to explain how the time dollars and time banks that he originated could be used to transform public services, initially in health. One of the early applications after that was his Time Dollar Youth Court in Washington DC. The youth justice system in the District of Columbia – an area where half of the majority black population under the age of 35 was in prison, on parole or on probation – had been in a state of near collapse, forced to dismiss first and second offences because of case overload. The youth court aimed to turn this around by recruiting young offenders themselves to help combat crime.

If you are a young person arrested for the first time for a non-violent offence in Washington now, the chances are that you will be arraigned not before a judge but in front of a jury of other teenagers, who will question you, judge you and sentence you. The sentence will include serving on a jury yourself.³⁰ The ultimate purpose is to deliver a youth justice system that not only helps

to prevent criminal behaviour, but also changes some of the conditions that cause it in the first place, and it does so by engaging young people as advocates of good behaviour.

In 2007, the youth court dealt with 80 per cent of all first-time offences in Washington. The recidivism rate for youth court participants is only 17 per cent, about half the average in the mainstream juvenile system. There is a similar successful model in Jefferson County, Wisconsin.

Co-production approaches are emerging in the UK in both the public and voluntary sectors, even in the justice system. Preston in Lancashire has been developing a UK youth jury approach. In 2009, the Nacro Centre for Restorative Justice/Preston Peer Panels won the Justice team award for tackling youth crime. The project started in September 2007, and already more than 80 cases have been successfully concluded, affecting some 250 victims. The team has now extended the project with the Street Law programme, which offers training to young people as part of their contract, allowing them to become peer panel members and addressing areas of concern in their own lives. Adult versions of this approach are also beginning in the UK with the Community Justice Panel in Chard.

The charity Scope has been pioneering the idea in the field of disability equality. CSV has been pioneering it in volunteering. Mind and other organisations are using the idea in the ‘Human Givens’ approach to mental health. The Citizens Advice Bureau’s ROTA project trains prisoners to support other prisoners. Many schools are involving parents deeply in co-producing education (but many are not).

Co-production ranges from programmes that are aimed specifically at prevention, like the Nurse-Family Partnerships, which support first-time mothers and children in low income families by partnering them with registered nurses until the child is two, with a core purpose of coaching them into a sense of capability and encouraging

them to support each other.³¹ Co-production also includes programmes that give responsibility back to service users, like KeyRing, which supports people with learning difficulties to live in their own homes by embedding them in mutually supportive local networks.³²

It also includes programmes to use the knowledge and experience of users, like the Expert Patient scheme in the UK, where patients with long-term health conditions teach others about the experience, which has so far involved 50,000 people.³³ Or programmes to provide for mutual support, like the Shared Lives scheme (formerly known as Adult Placement) that pair up disabled people and those with long-term problems with families. Shared Lives has done this now for 30 years in 130 schemes across the UK, in such a way that caring becomes a joint activity between the people and the families they live with.

Co-production can work in existing structures, like the Learning to Lead programme that began five years ago in the Blue School in Somerset, where pupils join teams which take responsibility for aspects of running the school, or making change happen outside it. Learning to Lead is now working in ten secondary schools and is beginning to work in primary schools too.³⁴

Alternatively, it can begin to turn the existing structures upside down, as it has in Taff Housing, a housing association with over a thousand homes in some of Cardiff's most disadvantaged housing estates, where tenants earn credits by volunteering time to help deliver the services of the housing association. They can spend these credits through a partnership which Taff have negotiated with Cardiff's leisure services, Cardiff Blues Rugby Club and the Gate Community Arts Centre, which accept credits earned by tenants instead of cash to use their services.

The effect of this, where it happens, is a huge shift of focus for public services. No longer obsessively looking inwards to targets and procedures, but increasingly looking outwards to local neighbourhoods to create supportive social networks, seeking out local energy where it exists to help deliver and broaden services, and seeing clients for what they can do, not just what they need. The idea is that, by working alongside the people they are supporting, public services can dramatically increase their resources, extend their reach, radically transform the way they operate, and be much more effective. Co-production makes strengthening the core economy of neighbourhood and family the central task of all public services. This means:

- **Recognising people as assets**, because people themselves are the real wealth of society.
- **Valuing work differently**, to recognise everything as work that people do to raise families, look after people, maintain healthy communities, social justice and good governance.
- **Promoting reciprocity**, giving and receiving – because it builds trust between people and fosters mutual respect.
- **Building social networks**, because people's physical and mental well-being depends on strong, enduring relationships.³⁵

Co-production is the model by which public services can begin to prevent social problems like crime and ill-health, understanding that this is only possible by providing a catalyst for citizens to broaden the range of what they already do or can do in the future. It means public services building mutual support systems that can tackle problems before they become acute. It means encouraging behaviour that will prevent these problems happening in the first place, and building the social networks that can make this possible. It means public services reshaping themselves to build the supportive relationships that can help people or families in crisis carry on coping when they no longer qualify for all-round professional support.

What holds these projects together, apart from sharing the term 'co-production', is that they are all ways in which patients, pupils, parents or service users are being asked to do something, to give back and to help deliver the service. This generally means providing mutual support, which in turn strengthens the delivery of effective public services, but it can mean delivering other aspects of services – not those which require professional skills, but the aspects of services dependent on broader human capacities. Co-production is certainly about effectiveness, but it is also about humanising services – or, as Elizabeth Hoodless from Community Service Volunteers puts it, "*broadening and deepening*" them.³⁶

Co-production is about mobilising the huge untapped resources that people represent, in and around schools or surgeries, but also prisons, probation centres, housing estates, social work. What they all have in common is this shift in attitude to the users of services. This is how Dr Abby Letcher describes the impact on mainstream practice that the Community

Exchange had on her own health centre outside Philadelphia:

“It is a fairly radical change, and it does challenge people’s ethical and professional sense. But it has transformed the way we practise medicine. It has stopped us seeing our patients in terms of us and them, as if we were just service providers to people who are classed as ‘needy’. We are no longer looking at them as bundles of need, but recognising that they can contribute, and when you see people light up when you ask them to do so, it changes your relationship with them. The culture has changed. The relationships are different, deeper and more therapeutic than they are in the usual doctor’s office.”³⁷

This is why, properly understood, co-production represents a fundamental reshaping of public services, and in practice the reforms must begin with the way services are commissioned.

Commissioning co-production

In 2006, the London Borough of Camden launched an innovative experiment to focus their commissioning of services towards outcomes, rather than just counting the numbers of people going through services. Working closely with the council, local providers and service users, nef developed a model that allows commissioners to take account of those broader effects that so often get excluded, both social and environmental.³⁸ It was initially applied to a mental health day care service, and it meant that those bidding for the contract were also asked how they would achieve wider training and employment outcomes, improved physiological well-being, more community participation and better social networks. In fact, the tender specified that:

“We would encourage providers to adopt the model of ‘co-production’ whereby services are planned and delivered in mutually beneficial ways that acknowledge and reward local ‘lay’ experience while continuing to value professional expertise. Service users should be regarded as an asset and encouraged to work alongside professionals as partners in the delivery of services... Real and lasting changes are possible with approaches that build or strengthen social networks and in turn motivate people to learn about and exercise their powers and their responsibilities as citizens. Networks of friends and families should also be considered positive co-contributors to success in this approach.”

The winning tender was a consortium of Camden-based third sector organisations, MIND in Camden, Holy Cross Centre Trust and Camden Volunteer Bureau, a mainstream volunteering organisation. The consortium advocated a co-production approach to running the service, which uses time banking and peer support approaches to create a mutually supportive network of people around the service.

By treating service users and the wider King’s Cross community as potential assets, rather than as passive recipients, the consortium delivering Camden’s day care services has been able to leverage previously invisible or neglected resources – the capacities and knowledge of service users and the wider community itself, who provide support to each other, anything from advice to gardening and lifts. It has enabled the consortium to focus on the broader social, environmental and economic aspects of the service, as well as to focus on preventative work that encourages independence and inclusion in mainstream community activity amongst those dealing with mental health issues.³⁹

PART 5: WHAT CO-PRODUCTION ISN'T

There is no agreed definition of co-production, but we must still be careful how we use the term. For example, the Australian post office recently used the term to describe the way people lived up to their responsibility to put the postcode on their letters. This is not co-production in the sense that we mean it here.

Much of the official discussion about co-production shows only partial awareness of what it means, where it came from and how it works. Even the Cabinet Office, which broke new ground to promote the idea in mainstream policy debate, defined it too broadly as “*establishing*

a partnership between citizens and government to tackle a social problem”.⁴⁰ Co-design and other forms of asking the advice of users may be helping to create space for co-production, but can lack any continuing involvement in delivery.⁴¹ Similarly, when communities or users organise provision with no involvement from public service professionals, whilst this is a very valuable intervention, it is not co-production. As the table below demonstrates (Figure 1), co-production occurs in the critical middle ground when user and professional knowledge is combined to design and deliver services.

Figure 1: User and professional roles in the design and delivery of services

		Responsibility for design of services		
		Professionals as sole service planner	Professionals and service users/ community as co-planners	No professional input into service planning
Responsibility for delivery of services	Professionals as sole service deliverers	Traditional professional service provision	Professional service provision but users/communities involved in planning and design	Professionals as sole service deliverers
	Professionals and users/communities as co-deliverers	User co-delivery of professionally designed services	Full co-production	User/community delivery of services with little formal/professional
	Users/communities as sole deliverers	User/community delivery of professionally planned services	User/community delivery of co-planned or co-designed services	Self-organised community provision

Source: Adapted from Carnegie Trust (2006), ‘Commission for Rural Community Development – Beyond Engagement and participation, user and community co-production of services.’ By Tony Bovaird, Carnegie Trust.

The table helps us to see more clearly what co-production isn't (or rather, what elements in isolation are insufficient for full co-production). To expand on a few examples:

- **Co-production is not consultation:** Co-production depends on a fundamental shift in the balance of power between public service professionals and users. This is what makes improved effectiveness possible. It goes a long way beyond the blizzard of consultation so favoured by government over the past decade.⁴² It is the antidote to the idea that we endlessly need to ask people's opinion, before handing the service back to the professionals to deliver, since people will be involved in delivery as well. Nor is it all about user-management of organisations, important as that might be, because that can only appeal to a small proportion of those who would need to be involved.
- **Co-production is not volunteering:** Co-production is certainly about activity and giving time. It emphasises mutual support and networks of relationships rather than a clearly defined demarcation between providers and receivers. But it requires a new generation of mutual exchange for everyone, not just more volunteers ministering to ever more passive needy individuals on the fringes of public services, whilst the professionals continue with business as usual. The transformative power comes when people who are usually on the receiving end of volunteering or services are invited to help. The volunteering infrastructure in the voluntary sector is under huge strain, so it seems likely that – if co-production is to emerge effectively – it is going to happen through the public sector. Indeed, redefining the mission of the public sector is central to co-production.
- **Co-production is not individual budgets:** Such budgets may be vital, but on their own they are not the realisation of co-production, especially when they ignore the need for supportive social networks. The organisation In Control makes a distinction between individual budgets and what they call 'self-directed support', in which money is only one asset which people can draw on. Personal budgets were never intended to replace relationships with market transactions. But when they are used by policymakers *instead* of rebuilding social networks, then the outcome can be that recipients will have less money and less confidence than before. By themselves, individual budgets can entrench

the ineffectiveness of the consumer model of care: they can encourage users to 'buy solutions' or consume passively, rather than have an active stake in devising and delivering their own solutions.

By contrast, co-production goes beyond these in the following respects:

1. **Co-production has the capacity to transform public services:** Co-production has to be potentially *transformative*, not just for the individuals involved, but also for the professionals who are struggling to put it into practice and for the system as a whole. Public service workers will need to change the way they think about their role and how they operate and the people they have come to know as 'users', 'patients' or 'clients' who will now become their equal partners; they need to change their attitudes, priorities and training. They need to move from fixers to facilitators. Public services and welfare systems that are delivered in this way are likely to be more participative, by definition, as well as more equitable, responsive and creatively designed and delivered. And, because the people who are supposed to benefit from them will have a strong and tangible stake in them, they are more likely to command wider public support.
2. **Co-production promotes equal participation:** Co-production has to have *equality* at its heart. It can only be true to its principles if it is backed by measures to make sure that everyone has the capacity to participate on equal terms. This is partly because it fosters equal partnership between 'providers' and 'users' of services, and affords equal value to different kinds of knowledge and skills, acknowledging that everyone has something of value to contribute. It is also because, in order to be effective, it must enable everyone to participate, not just those who are already more able, articulate and socially advantaged. Hence developing co-production forces us to think about the underlying causes of inequality and how these can be tackled, and embrace very different ways of framing participation. This is going to mean changing the perceptions and the approach of many public service professionals.
3. **Co-production is essential to building sustainable public services:** Co-production has to be about *sustainability*. It is a method by which public services tap into the abundance of human assets, enabling them to

flourish and expand, and then bringing them into play – complementing and augmenting the publicly funded resources of the welfare state, which will be scarcer over the next few years.⁴³ By helping to prevent harm and constrain demand, co-production can help to safeguard public resources for meeting needs that cannot be prevented. In this way, it helps to guarantee the long-term viability of essential public services.

4. Co-production must have a key role to play in commissioning public services:

Co-production can play a significant role in developing service innovations when services are commissioned in the right way. This is the antidote to narrowing down public services to contracted outputs, which don't just impoverish the service which is delivered, but can often impoverish the neighbourhood in which they are delivered.

As noted earlier, narrow deliverables leave out the real value that public service institutions used to provide⁴⁴ and are far from the 'world class commissioning' standards that the Department of Health amongst others are looking for. When commissioners build co-production into the commissioning cycle, and try to procure co-produced services, they enable providers and users of services to play a much more important role in designing and delivering services that work, as Camden Council did for their mental health day care services contract. As a result, they managed to keep the most important ingredient of any public service – people – at their heart. This meant that their model of delivery included direct beneficiaries, their families and the wider community, as real resources built into the service design, making the service not just better value for money, but better for those involved.

For these reasons it is clear that co-production can't be a bolt-on innovation. It fundamentally changes the way public services are delivered, with the objective of reducing need, rebuilding the social infrastructure and shifting the balance of power.

PART 6: GETTING MORE FOR LESS

Since the bank bail-out of 2008, it has been clear that the public sector – in all countries, but especially in the UK – was set for an urgent bout of belt-tightening. Even before the financial crisis, it was clear that the rapid increases in spending enjoyed by services such as the NHS for most of the decade would come to an end. And now we know all too well that future governments will have a huge task to return the nation to anything approaching a balanced budget. We have seen that co-production has a vital role in making our public services more effective. It is also important to demonstrate the role it can play in making them easier to run in the age of public sector retrenchment.

It is no coincidence that the most innovative and successful examples of co-production have arisen in places where problems seem most intractable and everything else has been tried. This suggests public services can be more cost-effective once they are built around co-production, because co-produced services work better. They will be cost-effective not necessarily because they cost less – though they can do – but because they produce more effective outcomes, because they insulate people against ill-health, or help people to achieve better outcomes than most services currently do.

There is considerable evidence that co-production helps to prevent people getting ill, increases their well-being, and involves those who are seldom heard in society.⁴⁵ Co-production is designed to prevent needs arising in the first place, by maintaining and improving the quality of people's lives and extending the opportunities as well as the capabilities of individuals and communities to look after themselves. It helps people to build stronger social networks.

National surveys of psychiatric problems in UK adults show that the most significant difference between this group and people without mental health issues is social participation.⁴⁶ If you have a restricted social network, made up of three or fewer close friends and relatives, this is a major

predictor of mental health problems in the future. Co-production builds these supportive networks around people and services as its central purpose. This brings a double prize of maintaining well-being and saving money.⁴⁷

Another major reason why co-produced services are more cost-effective is that they bring in extra resources, in the form of help, support and effort from clients, their families and neighbours. These non-monetary resources are ignored in the current model of illusory efficiency, mainly because no price is attached. Their effective use demands major reforms to the structures of our services, effectively turning them inside out. But the possible resources available are huge and their contribution is critical. We also have some evidence of the cost savings because key elements of co-production have been evaluated. These include:

- **Delivering better outcomes:** Nurse-Family Partnership programmes in the US have been evaluated over 15 years. They were found to reduce child abuse and neglect by 48 per cent, arrests of the children as teenagers by 61 per cent and 'incurable behaviour' by 90 per cent. This would have a huge impact if taken to scale; it translates into benefits worth five times the investment and a saving in public spending of about \$41,000 per child involved.⁴⁸
- **Preventing problems:** The Jefferson County Teen Court in Wisconsin engages young people along similar lines to the youth court in Washington. Each child they deal with who is not processed through the mainstream courts saves the local justice system \$11,510. This is partly from avoiding the basic costs of going through the official court system, but the Teen Court has a highly successful record of reducing re-offending (only 7 per cent compared to the usual 30 per cent) which brings major savings to the public purse.⁴⁹

- **Bringing in more human resources:** The Shared Lives services which link disabled people with families, or people with other long-term difficulties, offer good value for money because they deliver high quality support at a relatively low price. Costs and outcomes can vary substantially between individuals, but the average potential savings for a person in Shared Lives instead of conventional supported living for people with learning difficulties can be as much as £995 a week.⁵⁰

The impact in terms of additional resources is potentially huge. In 2008, Scotland had 681,573 pupils in publicly funded schools. If each of these young people contributed an hour a week whilst at school (on average 39 weeks) to their school or local community life, in the way that young people do within Learning to Lead schools, this would mean an extra 26.6 million hours to grow the core economy and contribute to citizenship at the same time.⁵¹

During one week in 2007, nearly 300,000 adults in England received person-centred services delivered by organisations in the independent sector, funded by social services. If each of them gave back three hours support to someone else in similar circumstances, in the way that KeyRing schemes support people to do, over the course of one year this would generate an extra 900,000 hours of valuable peer support, enabling professionals to deploy their time differently.⁵²

- **Encouraging self-help and behaviour change:** Changing people's behaviour to improve their health is an area that is receiving more attention. One review of the best evidence identified four aspects of intervention as effective: using an educational component; providing continued support after the initial intervention; family involvement; social support from peers or lay health workers.⁵³ Of these four, professional staff are probably only best placed to deliver the first aspect. To intervene across the four aspects, they will need to work alongside families and local community networks to draw on their skills and resources. Behaviour change, such as losing weight or giving up smoking together, especially when facilitated through a GP surgery, can make a huge difference.⁵⁴ There is a potential £16 billion to be saved from treating illnesses which can be prevented by more exercise.⁵⁵

- **Supporting better use of scarce resources:** An analysis of the Expert Patient programme showed that it reduced visits to GPs consultations by 7 per cent and to A&E by 16 per cent, saving between £27 and £58 per avoided consultation, before prescription costs, and £84 for each patient diverted from A&E.⁵⁶ The figures for a disadvantaged area such as Newham in south-east London are spectacular, with half the patients reducing their visits to hospital. As many as 45 per cent of participants reported increased confidence that symptoms would not interfere with their lives and 38 per cent had reduced severity of symptoms four to six months after completing the course.⁵⁷

- **Growing social networks to support resilience:** Social networks are very important for excluded groups; national surveys of psychiatric morbidity in adults aged 16-64 in the UK show that the most significant difference between this group and people without mental ill-health problems is social participation.⁵⁸ The evaluations of time banks in medical settings in the USA also show health improvements.⁵⁹ The first of these, Member to Member in Brooklyn, was launched in 1987 by the Elderplan health insurance company, and it has benefited them financially to such an extent that it has been extended to cover the whole of New York City.⁶⁰

- **Improving well-being:** About 16 per cent of adults and 10 per cent of children are affected by mental health issues such as depression or anxiety. The NHS spends £13 billion a year on treating mental health issues and their complications. Co-production can have a major impact on people's well-being, improving outcomes and moderating demand.⁶¹ Evidence from the Foresight Mental Capital and Wellbeing Report suggests that *"achieving a small change in the average level of well-being across the population would produce a large decrease in the percentage with mental disorder, and also in the percentage who have sub-clinical disorder"*.⁶²

All these examples demonstrate that co-produced services can compete financially with existing public services, whilst delivering additional benefits such as prevention of problems, sustainable outcomes, increased resilience and the generation of additional capacity.

Why then are they not already the target for major investment? First, because the benefits of this kind of investment - which works across the

usual departmental boundaries – often accrue to somebody else’s budget. Second, because the mainstream public service efficiency agenda focuses its energy on reducing costs in the short-term, and finds it hard to deal with non-monetary resources to build long-term effectiveness. As has already been noted, now is not a time for patching. It is not acceptable that these out-dated accounting limitations are allowed to continue to restrict services’ abilities to innovate, particularly at this time of crisis within our public services.

CONCLUSION: NEXT STEPS FOR CO-PRODUCTION

Co-production is part of a much broader shift that is emerging across all the sectors, and most obviously in those fractures between public and private, or between public and voluntary. This has been described by the innovator Robin Murray as the ‘new social economy’.⁶³

Murray describes this as different from the old model based on production and consumption. Instead it uses “*distributed networks to sustain and manage relationships*”, blurs the boundary between producers and consumers, emphasises repeated informal interactions such as care and maintenance, and derives from a strong sense of values. Murray argues that the conditions are beginning to emerge that are likely to accelerate this social economy, because of a combination of squeezed resources and growing social pressures from obesity, diabetes, an ageing population and many other problems. He also explains how it requires capital, methods and skills to move forward on any scale.

Murray writes about the “*extraordinary spirit of innovation*” that is emerging behind this new economy, with the “*sense of a pressure cooker*”, as the new ways forward are held back by sclerotic systems and scarce resources. The same pressure cooker is apparent in the emerging political argument about mutualising the public services, with all three main parties articulating rather different ‘locals’ of local services with users in charge. Murray suggests three directions for change for the social economy as a whole, and these are a useful guide to the next steps for co-production too.

The first is to *reconstitute the state*: co-production requires new kinds of organisation and structure to move forward on any scale, not just to allow the experiments to grow, but to take the co-production reform to scale. This means a new, flexible, local and personal shape to public services that are not possible using current institutions. These are emerging around existing services and beginning to change mainstream

services from within. “*We must use the state to remake society*”, said Conservative leader David Cameron.⁶⁴ But the essence of co-production is more radical than this: it is also about using society to remake the state. Our task is to speed this process along.

The second is to *learn from successful networks*. This doesn’t just mean virtual networks, but how human networks have been used to tackle intractable problems, like the way the micro-lenders Grameen Bank in Bangladesh made lending possible to the poorest, and how the Boston-based charity Partners in Health went about tackling multi-drug resistant TB in Latin America.⁶⁵ Both of those are clear examples of co-production in practice.

There are important implications for the shape of services in the future. We need to help services turn themselves inside out, so that they are far less inclined to look inward to processes, targets and rigid standards, and instead look outwards, involving their users to build new mutual networks that are able to stem the tide of demand. The new social economy is the context, and co-production is the application of these general trends to public services. That means borrowing from the success of extended schools to create extended surgeries, extended hospitals, extended housing estates, each one over-lapping to some extent, in order to provide the kind of interlocking, human services that actually reflect the needs and capacities of their users. It implies that using services will mean embarking on a reciprocal relationship with professionals, and with other users and neighbours, that will help you – but will also help them recover and learn. It means that every case also re-builds local relationships.

The training of professionals must also change, so that they are able to operate in a far more flexible way. We need to look again at the question of risk. Decision-makers and politicians in particular, are going to have to address the shortcomings of the Beveridge settlement by looking at their own approach, which remains caught in the habit of

providing for the needs of grateful constituents.

Murray's third direction is to *understand innovation better*: we urgently need to look at how these ideas evolve in practice. Generally speaking, the co-production sector is not yet aware of its own potential. With the launch of this publication, nef and NESTA are launching a conversation between these pioneering people and institutions, so that they can learn from each other's experience and find out what works in different service areas. We aim to give this revolutionary new sector a clearer voice and build bridges between practitioners and policymakers who are desperately in need of a new approach to public services.

Together, we will be approaching some of the key issues that stand in the way of mainstreaming co-production in the UK. These include setting out a better working definition of co-production, and identifying areas of public services – especially those facing intractable problems or over-demand – where co-production could have the biggest impact.

It also means:

Identifying appropriate measures: The culture of targets, standards and best practice tends to count against innovation, and innovation which is designed to impact on more fundamental aspects of service delivery is particularly vulnerable. When there are economic difficulties, those experiments outside the core targets and standards tend to suffer first. A central weakness of targets is that they set prevailing practice in concrete and prevent services from evolving to tackle their key problems. We need to find ways to create the conditions for co-production to take root, like the commissioning experiment in Camden. Re-shaping a public sector organisation along co-production lines should earn exemption from a range of targets and specifications with a far greater emphasis on outcomes measurement. We are intending to use this project to make this possible.

Tackling the accounting problem: Any innovation which hopes to make public services more preventative faces the same problem with the way the public sector organises its accounts: savings accrue somewhere else in the system and there are few mechanisms to link them together, which means it is hard to justify them in the first place. There are conceptual and research problems behind this which still need to be solved. We will be working with practitioners to draw together the evidence already available, and to look more

closely at the costs and benefits of mainstream co-production.

Tackling the fear of reasonable risk: There is already a problem about some categories of claimants being involved in co-production. People on Incapacity Benefit take a risk with their benefits when they take part, in spite of the obvious advantages. New health, safety and 'safeguarding' regimes make it next to impossible to involve people with any kind of criminal history. The Independent Safeguarding Authority's vetting and barring scheme (VBS) poses a real threat to the effective peer-led co-production methods we want to see flourishing.

*"I've got the sort of criminal record that means the VBS will certainly vet and bar me", wrote Mark Johnson in The Guardian. "Yet it's my criminal record that makes me particularly qualified to work with young offenders. It's my years of drug addiction that give me a special understanding of addicts. It's the changes I've made in my life that offenders and addicts want to hear about. A prison governor told me I can have more effect on his inmates in 30 minutes than he can in three years."*⁶⁶

Developing and testing practical models: Those already experimenting with co-production are developing experience in a number of different geographical and service settings. Over the next year we will support practitioners to identify what the common practical skills and conditions are that enable co-production to flourish, build a library of existing experience, and develop support and advice for others who are intending to develop co-production activity. We will also work with practitioners to develop the tools needed to generate further evidence of the value of this work.

The opportunities are huge, but there plenty of remaining barriers to creating the conditions for co-production. It is going to be our job to help articulate them, and provide some potential solutions, over the next 12 months, in a series of events and publications. If you are working on co-production practice, research or study, we invite you to join us. If you would like more details please contact Julia Slay at nef: julia.slay@neweconomics.org

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THE LAB AND CO-PRODUCTION

Our public services face unprecedented challenges, made more urgent by the impact of the current economic crisis. Traditional approaches to public services reform are unlikely to provide the answers we need.

NESTA is applying its expertise to find innovative ways of delivering our public services. More effective solutions at cheaper cost will only come through ingenuity. Our Public Services Innovation Lab is trialing some of the most innovative solutions and bringing them to scale across the country's public services.

Co-production is a new vision for public services which offers a better way to respond to the challenges we face – based on recognising the resources that citizens already have and delivering services alongside their users, their families and their neighbours in partnership with the public. Early evidence suggests that it is an effective way to deliver better outcomes, often for less money.

This paper is the first publication from a major project between the Lab and nef (the new economics foundation) to increase the understanding of co-production and how it can be applied to public services. We have established a network of pioneering frontline workers from across the UK who are using co-production to engage citizens and improve services, and will use these insights and evidence to promote a more positive environment for co-production in our public services and in policymaking.

nef (the new economics foundation)

nef is an independent think-and-do tank that inspires and demonstrates real economic well-being. We aim to improve quality of life by promoting innovative solutions that challenge mainstream thinking on economic, environmental and social issues. We work in partnership and put people and the planet first.

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