DISCUSSION PAPER

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Taking co-production into the mainstream

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EXECUTIVE SUMMARY

People's needs are better met when they are involved in an equal and reciprocal relationship with professionals and others, working together to get things done. This is the underlying principle of co-production – a transformational approach to delivering services – whose time has now come.

For over a year, nef and NESTA have been working together to grow a network of co-production practitioners. We are building a substantial body of knowledge about co-production that offers a powerful critique of the current model of public service delivery and a key to transforming it.

The conventional delivery model does not address underlying problems that lead many to rely on public services and thus carries the seeds of its own demise. These include a tendency to disempower people who are supposed to benefit from services, to create waste by failing to recognise service users' own strengths and assets, and to engender a culture of dependency that stimulates demand. Co-production has the potential to transform public services so that they are better positioned to address these problems and to meet urgent challenges such as public spending cuts, an ageing society, the increasing numbers of those with long-term health conditions and rising public expectations for personalised high quality services.

This is an important time 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 government wants to put more power into the hands of families, groups, networks and local enterprises, to realise its vision of a 'Big Society'. Co-production is central to realising that vision because it offers an effective way of combining the public resources allocated to services with the assets of those who are intended to benefit from them. It promises a new kind of public sector based on relationships rather than departmental structures. By transforming the way public services are understood and conceptualised, designed and delivered, it promises more resources, better outcomes, reduction of unnecessary waste and diminishing need.

We have a unique opportunity to rethink and reshape the relationship between citizens and the state. If we get it right, then co-production will help rebuild public services as equal and reciprocal partnerships between professionals and the people they serve. If we get it wrong then we may see the post-war welfare state dismantled without sustainable alternatives, while citizens – especially those who are poor and powerless – are left to fend for themselves.

This document is the last of three reports from nef and NESTA. The first report, *The Challenge of Co-production*, published in December 2009, explained what co-production is and why it offers the possibility of more effective and efficient public services. It offered the following definition of co-production:

> *"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."*

The second report, *Public Services Inside Out*, published in April, described a co-production framework comprising the following key characteristics:

- Recognising people as assets.
- Building on people's existing capabilities.
- Promoting mutuality and reciprocity.
- Developing peer support networks.

- Breaking down barriers between professionals and recipients.

- Facilitating rather than delivering.

Now is the right time to move co-production out of the margins and into the mainstream. This report provides the basis for a better understanding of how to make this happen. We have identified four barriers to mainstreaming, which this report looks to address:

- Commissioning co-production activity.

- Generating evidence of value.

- Taking successful co-production approaches to scale.

- Developing professionals' skills.

Our work has shown that co-production is developing strongly on the periphery of public services, especially in social care and supported housing. It offers transformative solutions not only for these sectors, but also for a range of complex relational services including healthcare, criminal justice, education and welfare to work. Yet the structural and cultural features – and the in-built bias of the incumbent delivery model make it difficult to take it into the mainstream.

This report offers recommendations for the direction of travel, based on what we have learnt so far. They focus on three themes:

- **Changing the way services are managed and delivered:** here we consider how to make it everybody's business by building the key features of co-production into services. We make recommendations about the necessary systems, structures, incentives and workforce skills to mainstream co-production.

- **Changing the way services are commissioned:** we recommend building co-production into the commissioning framework, giving priority to prevention, encouraging flexibility and collaborative working and finally measuring what matters.

- **Opening up new opportunities for co-production:** we want to see prototypes launched in new sectors to test how co-production could be mainstreamed. We also call for the introduction of a 'Co-production Guarantee' to facilitate wider adoption and scaling.

This series of reports does not provide all the answers that we need. NESTA and nef will be embarking on further work to consider how to move co-production into the mainstream. This work will combine practical experiments with policy and research to look at how this can be done. This is the right time to take co-production in to the mainstream so that it becomes the default model for public services.

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PART 1:
THE CHALLENGE

Co-production is an idea whose time has come. The idea, put simply, is that people's needs are better met when they are involved in an equal and reciprocal relationship with professionals and others, working together to get things done. It's a key to transforming public services so that they are more able to meet today's urgent challenges.

The most immediate challenge is the new government's commitment to reducing the current £155 billion deficit by making deep cuts in public spending. Efficiency drives and salami slicing are unlikely to deliver 'more for less'. Instead, there is a danger that the cumulative effects will add to the very social and economic pressures that give rise to demand for more benefits and services. We need to find new ways to improve quality and constrain costs – and here innovation has a critical role to play.

In spite of endless rounds of public service reform over the last several decades, and in spite of huge injections of public funds, there have been no significant reductions in levels of need for health and social care, for housing, policing and other public services. Inequalities have widened and there is less social mobility.[1] The 'have-nots 'still find it hard to improve their social and economic circumstances, while the 'haves' accumulate and consolidate their advantages.

These pressures are exacerbated by several factors:

- *Demographic changes.* As people live longer and the post-war baby-boomers come up for retirement, there are rising numbers who are not in paid employment and who run higher risks of chronic ill-health and disability. Research from NESTA shows that costs related to ageing for the public sector will rise to £300 billion by 2025.[2]

- *Changing expectations.* Public attitudes to public services have changed dramatically over the lifetime of the welfare state – from pride and gratitude in the early years, through decades of routine but not uncritical acceptance, towards an increasingly consumerist stance, with individuals wanting to choose and receive high-quality 'personalised 'services.

- *New demands.* Problems associated with patterns of inequality, such as obesity, substance abuse, chronic disease and social conflict, are giving rise to new and intensified claims on public services. New studies suggest that cuts in public expenditure, without the drive for innovation for which this report argues, will hit the poor hardest and widen inequalities, creating a vicious cycle that continues to drive up demand.[3]

While it is impossible to calculate how far existing services have stopped things getting a great deal worse, the current model has tended to disempower people, to induce a dependency culture and to create unnecessary waste in the system because services have been shaped with only minimal recognition of users' assets as well as their needs. For all these reasons, it has not built a healthier, happier, fairer or more secure population, or a more creative or dynamic human economy – let alone a society that is more self-sustaining and less dependent for its well-being on interventions by the state.

The reasons for this are multiple and complex, and have been well explored elsewhere.[4] They include: a bias towards top-down solutions, generating a 'them and us' culture where professionals do things to or for 'vulnerable' and 'needy' individuals; a preference for tackling the immediate problem, not the whole person; a blindness towards the assets and strengths of those on the receiving end of services, and a tendency to see the effects of poverty and inequality as a problem belonging to poor people, to be fixed by their becoming more 'resilient', rather than as a problem for society as a whole, in

need of systemic change.

The lack of progress has also been attributed to: services organised in separate silos with too little sharing of planning and investment; a reluctance to focus on measures that prevent needs arising in the first place; endless chopping and changing in the direction of public sector reform; over-dependence on short-term actions and 'quick wins', a bean-counting approach to assessments of success or failure; an aversion to risks inherent in radical innovation, and an implicit denial of vital links between economic and social systems.

One strong theme running through these problems is at the heart of our interest in co-production. It is the dysfunctional relationship between the state and the people who are supposed to benefit from state-funded services. This has three dimensions. First, there is the perceived and actual distance between 'providers' and 'users', with different meanings, status and values attached to each category – and a strongly implied inequality of worth. Accordingly, providers are supposed to have power, knowledge, skills, and capability to act effectively, while users are assumed to have little or none of the above. Next, there is the often lamentable waste of human capacity by services that are neither designed nor delivered in ways that tap into the abundant and priceless resources that 'users' have at their disposal – both as individuals and as members of groups and networks. Thirdly, and most importantly, the main effect of putting distance between 'providers' and 'users' and neglecting human capacity is to make people weaker rather than stronger, more isolated and divided from each other, more dependent rather than more resourceful, and more at risk of ill-being and distress. This is the very reverse of what we all need our welfare system to achieve: a strong and cohesive society where human resources and inventiveness flourish and grow, where inequalities dwindle and well-being for all steadily improves.

PART 2:
NEW DIRECTIONS

There is broad agreement that we need to transform our welfare system to make it fit for the 21st century.[5] This involves fundamentally shifting the purpose and shape of state-funded activities so that they build rather than waste human capacity, while making sure they are economically sustainable in an ice-cold fiscal climate.

The government says it is committed to building a 'Big Society', by getting more people working together to run their own affairs locally. It aims to put more power and responsibility into the hands of families, groups, networks, neighbourhoods and locally based communities, and to generate more community organisers, neighbourhood groups, volunteers, mutuals, co-operatives, charities, social enterprises and small businesses: the idea is that all of these will take more action at a local level, with more freedom to do things the way they want.

There is much that is promising in the vision of a 'Big Society'. When people are given the chance and treated as if they are capable, they tend to find they know what is best for them, and can work out how to fix any problems they have and realise their dreams. Bringing local knowledge based on everyday experience to bear on planning and decision-making usually leads to better results. Evidence shows that when people feel they have control over what happens to them and can take action on their own behalf their physical and mental well-being improves.[6] When individuals and groups get together in their neighbourhoods, get to know each other, work together and help each other, there are usually lasting benefits for everyone involved: networks and groups grow stronger, so that people who belong to them tend to feel less isolated, more secure, more powerful and happier.

This kind of localism also serves the well-established principle of subsidiarity: that matters should be handled by the smallest, lowest or least centralised competent authority. In addition, it may help to constrain costs. Increasing the volume of unpaid citizen action is certainly intended to help cut public spending. Getting people at local level to take more responsibility and do more to help themselves and their neighbours may become an alternative to action taken by publicly-funded organisations.

People who most rely on public services tend to be those who are most disempowered by the current model. Transforming services by applying the key features of co-production (outlined below) offers the prospect of substantially improving outcomes for them.

The vision has yet to be tested in practice. It carries some risks that may make it harder to achieve the good intention of getting better results for less money. One is that people who are currently poor and powerless may be less able to benefit from greater opportunities to do things to help themselves and others locally. If we are to make the best of the 'Big Society', all the changes that are put in place to implement its ambitions will need to be shaped and measured by the principles of sustainable social justice – the fair and equitable distribution of social, environmental and economic resources between people, places and generations. Within that framework, co-production should become the standard way of getting things done or – put another way – the 'default model' of public service delivery.

Co-production is central to delivering the 'Big Society' vision because it offers a way of integrating the public resources that are earmarked for services with the private assets of those who are intended to benefit from services. There is far more to be gained from this approach than from current practice that separates 'users' from 'providers', or from a retrenchment of the state that leaves citizens themselves to fill the gap.

PART 3:
WHAT CO-PRODUCTION MEANS

> *"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."*

This is our working definition. It describes a particular way of getting things done, where the people who are currently described as 'providers' and 'users' work together, pooling different kinds of knowledge and skill. By changing the way we think about and act upon 'needs' and 'services', this approach promises more resources, better outcomes and a diminishing volume of need. It is as relevant to third sector bodies as to government institutions and public authorities. Applied across the board and properly supported, it can help to realise the best ambitions of the 'Big Society'.

In this context, co-production is broadly about equal partnership and transformation, and specifically about changing the way public services are conceptualised, designed and delivered. At the same time, we know it is important not to define co-production so tightly that it inhibits innovation and creativity. So we have homed in on a set of defining characteristics. Co-production can be achieved through a myriad of activities, processes and tools, but it is normally possible to recognise co-production because it exhibits most or all of these features:

- **Recognising people as assets:** transforming the perception of people from passive recipients of services and burdens on the system into one where they are equal partners in designing and delivering services.
- **Building on people's existing capabilities:** altering the delivery model of public services from a deficit approach to one that provides opportunities to recognise and grow people's capabilities and actively support them to put these to use with individuals and communities.
- **Mutuality and reciprocity:** offering people a range of incentives to engage, which enable us to work in reciprocal relationships with professionals and with each other, where there are mutual responsibilities and expectations.
- **Peer support networks:** engaging peer and personal networks alongside professionals as the best way of transferring knowledge and supporting change.
- **Blurring distinctions:** blurring the distinction between professionals and recipients, and between producers and consumers of services, by reconfiguring the way services are developed and delivered.
- **Facilitating rather than delivering:** enabling public service agencies to become catalysts and facilitators of change rather than central providers of services themselves.

These defining features are what give co-production its transformative approach. It moves far beyond 'citizen engagement' or service user involvement in governance. It changes people from being 'voices' to being agents in the design and delivery of public services. The radically different nature of co-production is often best illustrated through examples that show just how different it is, and how it generates better outcomes and lower costs. We have documented a definition and a range of examples and analysis of co-production in *The Challenge of Co-production* and *Public Services Inside Out*. Further examples are provided below:

Local Area Co-ordination, Australia

Local Area Co-ordination (LAC) is a model developed in Australia that puts people at the centre of things. It employs a local area co-ordinator linked to between 50 and 60 individuals with disabilities. Instead of starting with the question 'what do you need?' – which

focuses thinking on specialist services – the co-ordinator asks 'what kind of life do you want to live?' The answers to this question are more often about friendships, a job, living independently: things that we value universally. Co-ordinators work with each individual to identify existing local networks and resources, such as a church group, library or local timebank, and introduces them to other people, integrating them into existing local networks rather than allocating them to a specialist group according to their condition. Funding and support is devolved to individuals and attention is paid to maintaining existing support networks, such as the family, friends and neighbours. The result has been a complete shift away from residential care or 'drop in' centres. Evaluations of the LAC service in Australia have demonstrated a 30 per cent reduction in costs as part of a move towards a preventative service with much lower levels of acute interventions and much higher levels of participation and enthusiasm from the people who use the service.[7,8]

Holy Cross Centre Trust (HCCT)

Holy Cross Centre Trust is a pioneering service delivering mental health day services on behalf of Camden Council. Through a range of programs and activities they build on the skills and capabilities of their members, facilitate peer support between members, and focus on extending their social networks, and confidence to work and get involved in the local community. Time-banking is used at Holy Cross as an innovative way of encouraging and rewarding contributions from both staff (who spend at least 10 per cent of their time each week in the time-bank) and members. The time-bank has helped to blur the boundaries between staff and members, and has helped to make HCCT's services more about facilitation than providing, with staff and members having equal roles in 'delivering' the services and moving towards the outcomes they want to achieve.

Skillnet

Skillnet is a Community Interest Company based in Kent. It was co-founded by Jo Kidd, her husband, and a group of people with learning difficulties. Their aim is to support people so that they can make independent choices about their lives, working together with staff to develop projects and support networks that build on people's interests, skills and capabilities. Their programmes and projects are directed by the individuals they support. One project, Risky Business, is an arts and drama group held every Friday morning in Sittingbourne. There are three members of staff, including one who has a learning disability (some 30 per cent of Skillnet's employees have disabilities themselves), and around 12 group members who attend every week. Everyone at Risky Business is eager and excited about developing their skills, looking for paid employment in a 'normal' job, living independently, socialising with one another and being able to be seen as people, not service users, clients or residents. Skillnet actively supports these wishes, yet still faces an uphill battle with other organisations and local authorities who are concerned about risks to 'vulnerable people' and 'crossing professional boundaries'.

Nurse Family Partnerships

Nurse Family Partnerships have demonstrated significant savings across a range of services, and inspiring improvements in outcomes. They were initially rolled out in the United States as a preventative programme, pairing up nurses with first-time mothers in low income, high-risk groups. The nurses develop a strong relationship with the mothers, providing support and coaching on a range of issues, from feeding, nutrition and literacy to sexual health, employment and safety. The approach often includes peer support and building on the mother's individual skills and capabilities. The outcomes achieved include improved prenatal health, fewer incidents of child abuse, improved self sufficiency and increased economic activity, higher rates of literacy, lower rates of obesity, and fewer interactions with the criminal justice system. The US programme has seen a decrease in child arrests by 59 per cent, a 48 per cent reduction in child abuse and neglect, and a 67 per cent reduction of behavioural difficulties at age six.[9]

Financially, each $1 invested in the programme provides savings of between $2.50 and $5.70 in preventative costs across criminal justice, education, welfare and health. Once the costs of the programme are covered, the benefits per child are estimated at $17,180. The preventative cost savings associated with the parents include a 20 per cent reduction in months on welfare and an 83 per cent increase in employment for the mother by the child's fourth birthday.

Positive effects of co-production:

- Co-production taps into priceless human resources – all the knowledge, time and skills, all the loving, caring and reciprocal relationships – that are present in everyone's everyday lives. These human assets make up a much bigger pool of shared resources than can be provided through taxation, for meeting needs that people can't meet on their own: so there is abundance instead of scarcity.

- By bringing people out of service silos and isolation, and by encouraging individuals to join forces and make common cause with each other, co-production helps to break down barriers between different kinds of people and build stronger networks and groups.

- It also helps to build up everyone's capacity, including 'providers' and 'users', both individually and in groups, to help themselves and each other, so that the resource base can keep on growing.

- It brings into play the direct wisdom and experience that people have about what they need, how their needs can be met and what they can do with and for others. When these are combined with professional expertise, there are likely to be better outcomes.

- It minimises waste by developing solutions with users rather than doing things 'to' and 'for' them. For all these reasons, co-production helps to improve well-being and prevent needs arising, so that moving it into the mainstream would mean that the inflation in demand for public services that has prevailed since the 1940s can begin to subside.

- In addition, it can often reduce the costs of a service by shifting the focus towards person-led, community-involved, preventative services that relieve the pressure on more costly acute and specialist interventions.

In summary, this is what co-production can offer to a welfare system in acute crisis: by transforming the way public services are understood and conceptualised, designed and delivered, it promises more resources, better outcomes and a diminishing volume of need. That's why now is the right time to move co-production out of the margins and into the mainstream.

PART 4:
MOVING CO-PRODUCTION INTO THE MAINSTREAM

Moving co-production into the mainstream really can – if handled with care – provide a new model of public service delivery, which can achieve better outcomes and save money. It can break through the stultifying 'doing-to' culture of mainstream public services that saps power and confidence from the people they are trying to help and leaves the 'providers' under increasing pressure to deal with a growing volume of demand. It can replace this negative effect with a range of positive, mutually reinforcing effects. That means identifying and addressing the main challenges and creating the necessary conditions for taking co-production to scale.

The main challenges

For over a year, NESTA and nef have grown and supported a network of co-production practitioners – alongside an advisory group of co-production thought-leaders and policymakers – who have helped us to identify the key barriers to taking co-production forward. We have identified four main challenges, where further work is needed to open the way for co-production to move into the mainstream. These are explored in more detail in our earlier publication, *Public Services Inside Out,* and are briefly summarised below.

- **Commissioning co-production activity**
  Co-production can be awkward for funders and commissioners, who tend to look for specific objectives and pre-determined outputs generated from a narrow range of anticipated activities and measured by a limited set of indicators.[10] Co-production looks much messier than this, often encompassing a broad range of activities that continue to evolve as relationships develop between professionals and people using services. The indicators of success are found in broader outcomes and longer-term changes that often fall across multiple funding streams and are not always easy to measure with current methods (see below). Failure to encompass what is new and innovative will hold back the development of co-production. NESTA and nef will be working with commissioners to find ways of opening up to new ideas and becoming less risk averse, focusing their efforts on outcomes rather than just outputs.

- **Generating evidence of value**
  Co-produced services can incur costs in one service area and yet produce benefits in many others, which can act as a disincentive to commissioners. Their effects are often long-term and complex, making them relatively difficult to assess and measure. There are many important examples of co-production that have been evaluated, demonstrating multiple benefits, including prevention of harm and cost efficiencies. Most are drawn from other countries, notably the United States. NESTA and nef will be working together to develop an evaluation framework and a range of tools for more comprehensive evidence gathering, reviewing and building on existing approaches to develop an appropriate model. This should be able to capture the immediate and longer-term, direct and indirect, costs and benefits of co-production, which can then be related – critically – to conventional systems for evaluating public services. We will also work to find ways for services to capture the value delivered by co-production within existing measurement and accounting systems, even where benefits accrue to a different service.

- **Taking successful co-production to scale**
  Taking co-production into the mainstream is made much harder because of the in-built bias in public services to the incumbent delivery model. The work of NESTA and nef over the past year has shown that co-production is a promising new and emerging field of practice.

It is developing strongly on the periphery of public services and is slowly seeping into mainstream services because of pioneers such as Sam Hopley at Holy Cross Centre Trust. This model can be challenging for practitioners because of the lack of detailed guidance and diverse interpretations of the term 'co-production'. The aim is to get smarter at drawing down and sharing lessons from individual projects, to find ways of replicating the key features of co-production, and to improve the conditions for scaling. NESTA and nef are working with our practitioners' network and with policymakers and commissioners to take this forward.

- **Developing professional skills**
  Co-production practitioners require a particular mix of skills. These include being able to see and harness the assets that people have, to make room for people to develop for themselves, and to use a wide variety of methods for working with people rather than processing them. They suggest a significant shift away from a culture of 'caring for' to a culture of enabling and facilitating, but the skill-set must also be able to change systems and operate on a large scale. And, while professional expertise is vital, it can never replace the knowledge that comes from personal experience. Real change comes from combining both these sources of knowledge. NESTA and nef will be working with partner organisations to build the skills that will be necessary, both for the transition into the mainstream and for making co-production work as the default model of service delivery.

People who are already disempowered and disadvantaged have most to gain from co-production. The experience of the practitioners within our network has shown that this approach can help to strengthen relationships between individuals, families, neighbours and communities. Government, nationally and locally, can play a vital role in ensuring that those who are the poorest and most marginalised can participate on an equal footing with everyone else. This is important because failing to tackle inequalities will undermine all attempts to build a flourishing economy and society, and all efforts to bring spending on public services under control.

Co-production is not an alternative to public service but a way of transforming it and making it effective, affordable and sustainable. To make sure that effective support is provided for all and for the long term, there will need to be profound changes in the way that people who work in public services – at all levels – understand their roles and carry them out. At the heart of the co-production idea is a new kind of partnership between public service workers and those who are intended to benefit. That partnership is equal and reciprocal. It combines and strengthens different kinds of knowledge and skill. It aims to build capacity for people to help themselves and each other. That goes for public service workers too: building their capacity to get better outcomes even while service budgets are shrinking. The ultimate goal is to improve well-being for all.

In the right conditions, co-production can become a way of breaking down social divisions, creating new connections between different groups and improving the resourcefulness and well-being for all, especially those who are less well-off and more in need. It can become a creative and dynamic alternative to salami-slicing services and leaving 'communities' to fend for themselves. As the government moves to realise its vision of the 'Big Society', using co-production as a central mechanism for shaping relationships, making decisions and getting things done, can help to bring out the strengths of this idea, fill in the gaps and give it lasting coherence.

Where is the greatest potential?

NESTA and nef are working with a network of frontline practitioners who are already involved in co-production. This has enabled us to identify areas with immediate potential for this kind of change. These are:

- Adult social care and elderly care.
- Healthcare.
- Mental health services.
- Supported housing.
- Criminal Justice and community policing.
- Education, early years, youth services, childcare and families.
- Welfare to work.
- Regeneration.

These services are all highly relational, and involve frequent contact between people and professionals. In order to achieve their desired outcomes they all need to harness and build the capacity, skills and abilities of the people who are 'users'. Any sustainable outcome depends on the nature of the relationship between 'users' and professionals, and the extent to which they co-produce both the strategies for meeting challenges that face individuals, and the processes by which those strategies are realised. Some areas of public sector activity seem to be less suited to co-production. Obvious examples are emergency healthcare and acute interventions such as surgery. Beyond that, any area where the public sector meets individuals, networks or local groups has scope to shift the relationship towards one of equal partnership.

What is clear from our work to date on co-production is that there can be no exact guidance, toolkits or 'how-to' manuals for co-production. The examples we have observed are highly relational and have been designed to account for many local factors. What is clear from these examples, however, is that there is a robust framework for co-production based on the six key features that we have described in this publication and in our earlier work. This framework offers the opportunity for local adaptation by practitioners and citizens who can design ways of working that reflect these features, and so drive a cycle of innovation.

PART 5:
RECOMMENDATIONS

Here, we offer suggestions for the direction of travel, based on what we have learned so far. Our aim is to transform public services by moving co-production into the mainstream. We want these recommendations to help achieve systemic change through further practical experimentation and a wide-ranging dialogue about how to establish co-production as the standard way of getting things done. Our recommendations fall under three main themes:

- Changing the way services are managed and delivered.
- Changing the way services are commissioned.
- Opening up new opportunities.

Changing the way services are managed and delivered

1. Build the key features of co-production into existing services

As a first step, public service managers can consider the key features of co-production, set out on page 5, and begin to build them into existing services. You don't have to call what you are doing 'co-production', but you can start by encouraging staff to recognise that service 'users' have assets not just problems, and to think about what they can contribute. Other possibilities include:

- Developing peer and support networks for groups of service 'users'.
- Asset mapping to identify resources at neighbourhood level, where spare capacity can be harnessed and opened up to other people and organisations to be linked up to each other.
- More extensive use of tools that facilitate self-help and mutual aid, linked into the local community in order to achieve maximum benefit. One example is time-banking.

2. Change the systems and structures that underpin public services

For co-production to become the default model of service delivery, it will not be enough to change existing policies and procedures by adding in the words 'co-production' and 'co-design'. The underlying systems and structures must change. This will involve, for example:

- Re-evaluating who is involved in the delivery of public services, and working with those who use services to carve out a new role for them.
- Amending policies and processes to take account of the enhanced role of user/participants; these must be flexible enough for organisations to co-create projects with them as equal partners. This will almost certainly require a review of how risks are understood and managed.
- Build on initiatives such as Total Place and consider how the services cross over in practice, supporting different groups of people, and how they can become more holistic.
- Change the way co-production is measured to enable the value to be captured in measurement and accounting systems even where it crosses service silos.
- Stop doing what isn't needed, reducing unnecessary waste.
- A systematic study of the barriers to co-production that occur in different sectors and at different stages of development, a thorough analysis of how far each one is

justified, and a good understanding of they can be lowered or removed altogether.

3. Make it everybody's business

Avoid the danger of establishing a new cohort of 'Co-production Officers' and 'Co-production Champions' and instead get everyone involved, so that they all feel they own the idea and resources are focused on developing co-production, not on creating new posts or rearranging internal structures. We want to develop a new kind of public service professional (see below) but if the idea is to be mainstreamed, it must happen everywhere, not just in corners reserved for 'co-production' experiments. Throughout the system, lessons from co-production can be shared by role models, mentors or 'experts by experience', who learned how to do it through active participation. Initiatives such as participatory budgeting could also be expanded into mainstream services.

4. Shift the role of frontline staff

Co-production requires a major shift in the way professionals and other frontline staff work and are organised. The aim is to enable them to become partners, mentors, facilitators and catalysts, not just 'fixers' of problems and guardians of resources. This will not end their traditional role – people still need direct professional help as well – but it will represent a whole new direction for staff and services. It implies:

- New criteria and methods for recruiting frontline staff, for example, to seek out those who instinctively respect others, who are good at forming equal relationships, and who have a talent for motivating people.
- Radical changes to the way frontline staff are trained, so that they learn about the values and skills of co-production. This training should be integral to core in-service curricula and professional qualifications as well as training for new entrants such as nurses and teachers.
- Radical changes to incentives for frontline staff and new criteria for performance management.
- More power and autonomy devolved to the frontline.
- Frontline roles restructured to give staff time to make reciprocal relationships work well (for example, staff working in Nurse-Family partnerships deal with 25 families at a time).
- Recognition for those who put co-production values and skills into practice, with special accreditation not only for staff but for their lay partners in co-production.

5. Get the best out of 'personalised' services

Personalisation is a good idea in theory, but in practice, especially where it applies to elderly or disabled people holding individual budgets, it can make service 'users' worse off, with fewer choices, than before.[8] The pioneering charity In Control has been experimenting with projects to link up local recipients of personal budgets into networks of broader mutual support. This kind of adaptation enables personal budget holders to co-produce the services they need, making their resources go further by pooling them (including budgets) with others and getting better results all round.[11]

6. Put the right incentives in place

Co-production is all about reciprocity – giving something, and getting something back. To encourage people to participate, some co-production programmes have reserved part of their resources to reward people for taking part, perhaps most obviously in the time-banking model pioneered in the South Wales Valleys.[12] This kind of pay-back could become a normal component of many more services as they move towards co-production. Rewards should probably not, normally at least, be financial – they are a mark of thanks not a motivator. Possible examples include:

- Working with private and public sector organisations to offer, for example, discounted matinee performance tickets at the cinema or free off-peak swimming at local pools.
- The development and roll out of community dividends so that when communities are involved in co-producing services that result in lower costs, a proportion of the savings go back into the community so they can decide where it would be best spent.
- Incentives will need to include

encouragement for organisations to invest more widely in prevention. We therefore need to explore the feasibility of new financial instruments that can draw forward the potential savings from co-production projects, and to invest this money to make the savings possible. Social impact bonds may be one way forward, but there are other approaches which would also provide investors with a return, perhaps based on social versions of the Energy Savings Companies (ESCOs) which invest in future energy saving or the KIVA model that connects individual investors with social innovators.[13]

Changing the way services are commissioned

7. Build co-production into the commissioning framework

When services are commissioned, bidders need to be asked to explain how they will build in the essential features of co-production, how beneficiaries will be helping to deliver services, how their bid will build mutual support and how it will prevent problems in the future. Bids will be assigned accordingly with these commitments embedded in service contracts so that these can be assessed along similar lines. Services should be commissioned and managed around their outcomes rather than outputs.

The **London Borough of Camden** has already been experimenting with this approach, asking bidders for a contract to provide mental health day care services to set out explicitly what role they would envisage for service users, how they would identify and mobilise service users' strengths, and how they would measure and reward the contribution of service users, carers, family, peer group, neighbours and the wider community.

The experiment has been part of a wider attempt to shift commissioning from narrow deliverables to broader outcomes in Camden. Treasury commissioning rules positively encourage commissioners to look at outcomes more broadly, and this can include co-production.

8. Give priority to prevention

Higher priority must be given, for reasons discussed above, to commissioning services and other activities that help to prevent needs arising or intensifying. Ultimately, this is what commissioning for outcomes should be all about: finding ways, as far as possible, to keep people free from harm and living healthy, satisfying and self-sufficient lives, instead of fixing things when they go wrong. In many respects, co-production is a preventative measure. If prevention becomes a guiding principle for commissioners, against which their performance will be judged, it will add to the incentives to co-produce services.

9. Encourage flexibility and collaborative working

When service 'users' are engaged in co-producing what they need to live well, get well and stay well, they do so as whole people, not as sites of multiple disconnected problems. So in developing co-production within public services, there is a strong bias against departmental silos, separate budgets and rigid procedures. Co-production can broaden and deepen the range of possible activities, and begin to stitch them together locally – but this can only happen where service commissioners as well as local managers and public service budgets are sufficiently flexible. People's problems are no respecters of departmental boundaries and are better tackled together.

Services must do more to combine their respective resources and work closely with the individuals and/or groups concerned to co-produce single outcomes and solutions, generated through that partnership. A big hurdle in the way of making co-production mainstream is that the benefits of investment in co-production don't always fall in the same budget. They tend to accrue to a range of different public service budgets locally. More flexibility is badly needed to encourage managers to invest in co-production. This can be done through:

- Identifying areas where services cross over and support the same people in different areas: pooling resources and budgets in these areas and replacing the multiple contact points with a single point of support – a person who can support and co-produce a 'whole life' solution with people.

- Develop a framework which can capture the savings accrued across different service provisions and begin to use this in informing budget decisions.

- Invest in programmes, such as Nurse Family Partnerships, which have preventative effects across a wide range of services.

More flexibility, collaborative working and pooling of budgets will not only help to develop co-production, but also help to reduce costs by minimising duplication, streamlining management and delivery systems and reducing demands over the medium and long term.

10. Measure what matters

The way public services are currently measured by narrow output targets within an increasingly risk-averse culture has limited opportunities for co-production. Co-production needs its own, more appropriate, measures of success.

The way services are evaluated should be reformed to take better account of innovation and broader outcome measures. Indicators of success should be generated through co-production partnerships and based on the outcomes that 'users' want to achieve. This may be a more labour-intensive approach, but the evidence is that – by being more effective – it will in fact save money.

In addition, service organisations should be able to measure easily, and for themselves, how and how far they are engaging their beneficiaries as equal partners in the delivery of services. This requires:

- Developing and applying co-production audits to services to help professionals and other participants identify where they are already working in partnership, and where they can further shift towards co-production.

- Including wellbeing, and environmental and social outcomes, in evaluation frameworks (this ties into our recommendations on commissioning services) so that the true benefits and costs are accounted for.

- Make sure that the effects of reciprocity (such as hours exchanged) and network-building are embedded in the evaluation frameworks for all services where they may add value.

Opening up more opportunities

11. Launch more prototypes in new sectors

Co-production has been tested most extensively in the fields of social care and housing. But there is also plenty of experience in the UK and elsewhere to suggest that it can also work well in other sectors such as education, criminal justice, youth services and healthcare. What is urgently required is a programme to develop and test prototypes in a wide range of areas. There is a fast-growing interest among local authorities, primary care trusts and other public service organisations who want to improve outcomes and constrain costs, and see this as way of achieving both objectives. Part of this prototyping activity should focus on learning how to replicate and scale co-production more effectively, as well as developing a better understanding of the conditions that would enable this to happen. NESTA and nef are working to encourage more prototypes, to learn from them and spread knowledge and practice across the country.

12. Embed co-production as the 'default' model through a 'Co-production Guarantee'

If we want co-production to become the 'default' model of service delivery, the time should come when it is formally acknowledged and established as such. Until now, people who want to introduce co-production often find they have a battle on their hands to argue the case for doing things differently. When the idea is more widely understood, when commissioners begin to promote co-production as a matter of course, and when it has been tried and tested by a wider range of practitioners, the onus should shift so that people who don't want to co-produce are the ones who have to argue their case. We propose examining the feasibility of a Co-production Guarantee, which sets out the government's commitment to this approach and clearly states where it can appropriately be applied. This guarantee would grant official sanction to services to use co-production and embed it in their own operations. Its purpose would be to encourage regulators and local authorities to allow co-production to take place on a much

wider scale. It would provide an official stamp of approval, with reasonable safeguards, and so help to establish co-production as the standard way of getting things done. This would give substance to the Prime Minister's description of his programme for government as "an invitation to the whole nation: we'll give you the power, so you can take control".[14] The Guarantee could be invoked when people who want to co-produce find that their efforts are unreasonably thwarted. Providers and budget-holders who resist efforts by others to introduce co-production would be called upon to justify their objections.

PART 6:
THE FUTURE

In spite of recent efforts to introduce 'choice' and 'personalisation', the dominant post-war model of public service delivery has prevailed: a top-down, 'doing-to' culture with an undifferentiated approach, a narrow kind of efficiency and too little value attached to human interaction. Co-produced services assume a quite different model: it is human, local and diverse. And it must remain so if it is to continue to be effective.

What co-production means in practice is a huge and unprecedented mobilisation of unpaid participation by public service users, their families and their neighbours. It means a massive increase, not so much in volunteering – because it will be outside the conventional volunteering infrastructure – but of mutual support and activity organised through the public sector, so that every school, surgery, hospital or housing estate becomes, as part of its fundamental purpose, a hub of increasing local action. It is about building human resources and minimising waste. In practice, co-production is an answer to the question of how to mobilise civil society: using the public services infrastructure. But this will only happen if co-production ceases to be a matter for marginal experimentation and becomes the standard way of getting things done.

To reach that point effectively, we have to be able to imagine in some detail what public services will look like afterwards, when the main job of the public sector is not just to provide help and support to people who need it, but to engage people directly in deciding how they want to lead their lives and to embed them in mutual networks for continuing and reciprocal support.

This does not mean an end to state services. Quite the reverse, as they have a crucial role to play in making sure that opportunities to co-produce are genuinely sustainable and available to all. But it means an end to the language of 'services', and a re-organisation of public resources and professional skills as nodes of multiple networks and social catalysts, able to reach out into the surrounding neighbourhood with a specific objective of preventing needs arising wherever possible. It means more effective meshing of different kinds of service, which will make them much more personal and local. It will also release resources for intense professional attention where that is necessary, and at a much earlier stage.

This is a new kind of public sector, with complex relationships rather than complex metrics at its heart. It is one that will require substantial training and, in the future, more investment and development to bring services together. It will require different kinds of skills, different kinds of buildings and different kinds of systems. Investment will be justified because of the revolution in efficiency that it will bring about. The basic resources are already in place. They are largely overlooked, underestimated and untapped: the multitude of clients, patients and 'users' of public services, and their families and neighbours, and all the human assets and relationships they have at their disposal. As we enter a period when public resources seem to be increasingly scarce, it is time to acknowledge that these are both priceless and abundant.

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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 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 third 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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Published: July 2010

ISBN 978-1-84875-098-2
9 781848 750982