



The State of the State

Government beyond Brexit

Introduction

This year's The State of the State finds the UK government amid the complex and politically-charged challenge of leaving the EU. But while Brexit may dominate daily headlines, our report finds a wider set of

challenges – and opportunities – for government and the public services as they gear up for a Spending Review.

Now in its seventh year, **The State of the State** has once again brought together Deloitte LLP and Reform to reflect on the most pressing public sector issues along with new, exclusive research. Central to the report is our citizen survey, which provides a platform for the most important voice of all in the public sector: that of the public. Also exclusive to the report is our research with the people who know the public sector's challenges best: the people who run it.

This year, we interviewed fifty senior figures including civil servants, police leaders, NHS directors and council chief executives, producing the most extensive qualitative research of its kind in the sector.

Overview

The State of the State citizen survey finds that eight years of austerity have shifted the public mood. Support for spending cuts has ebbed away and the majority now believe that taxes should rise to fund more extensive public services. Across the UK's governments and its public sector, officials told us about organisational pressures, the impact of austerity and their concerns over funding for the future.

But at the same time, they also talked about the potential for continued reforms including greater regional devolution, ongoing digital transformation, more deliberate talent management, fresh progress on the industrial strategy and a clearer connection between budgets and outcomes. All of this means that ministers and officials face incredibly tough decisions in Spending Review 2019 – but at the same time, the Review represents an opportunity for the government to chart a bold new course for public sector reform.

Key findings

Austerity has flipped public attitudes to tax, spending and the scope of public

services – Our citizen survey finds that eight years of austerity has seen a turnaround in attitudes to tax, spending and the scope of public services.

The most acceptable forms of charging for public services are penalty fines for wasting public sector time - Leaders from the public's services told us that charging for some elements of their offer might be a way to alleviate budget pressures and demand. Our citizen survey explored the circumstances in which the public would find charges reasonable, and found that the most acceptable would be penalty fines for wasting public sector time, like missing NHS appointments or wrongly calling out the emergency services.

Citizen views differ significantly across the UK's four countries - While devolution in its current form has been in place for 21 years, the past four have seen some of the most significant events in its history – not least the ongoing absence of a Northern Ireland Executive. Recent years have also seen an acceleration in the public policy differences between the devolved administrations, and our survey finds that citizen attitudes also differ.

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This year's report comes a decade after the global financial crisis and amid the UK's complex departure from the EU. That process is taking place under intense press scrutiny, fuelled by passionate politics and debated relentlessly across social media, with an inevitable consequence that the depth of other policy development may not be as profound as it needs to be. This report casts a spotlight on the broader challenges – both related to Brexit and not – that affect the quality of our public services, the fairness of our society, the security of our citizens and the prosperity of our country. Read more on The State of the State: