

Faceless Britain

Julia Goldsworthy MP and Danny Alexander MP

Consultation Session Spring 2008

Chair: David Boyle, Fellow of the New Economics Foundation

Saturday 8th March, 6.15-7.30pm, Liverpool Arena (Venue 7)



Since 2004, when the Government accepted the recommendations of the Gershon Review on public sector efficiency, our institutions have been subjected to unprecedented savings, streamlining and 'modernisation'.

Nearly four years later, there are serious doubts about whether the £21.5 billion in savings that were planned are real at all – and increasing evidence that these costs have simply been passed on to clients and individuals, often the poorest people, who face the barrage of new bureaucracy, call centres and obfuscation that we know as 'Faceless Britain'.

In fact, Gershon was simply the latest twist in a generation of wrong-headed Labour and Conservative management of our services, which has led to:

- Fake efficiency, with costs rising because services become ineffective.
- Costs passed on to service users – extra bureaucracy, call centres, travel costs to more distant hospitals and schools, etc.
- Giant, centralised and ineffective institutions, without democratic oversight, where expensive and damaging mistakes are accelerating.
- Frontline staff sidelined and disempowered by distorting Whitehall targets.

Hayley Sandford is a lone parent, who visited Julia's constituency surgery as a last resort. After finishing a seasonal job, she found that she was no longer able to access income support, housing benefit, child tax credits, childcare support or free school meals, and simply could not get in touch with someone who could help. Her visit to Julia was the first time she had been able to discuss her problems face to face. Here's what she had to say:

"The problem with the call centres was that nobody would take responsibility for my claim, instead passing it off to somebody else without giving any proper feedback or answers. What it meant for me was that once my wages had stopped I was left without any income at all, and when I tried to access an emergency payment I was repeatedly told that I was talking to the wrong person. I was absolutely stuck. I had no money."

Hayley is not alone. With every year that goes by, more and more services that used to offer face to face contact are being replaced by systems that are centralised, remote and inhuman. We are seeing the progression of an unaccountable state, creating increasingly remote systems that are divorced from the people they are supposed to serve. With Labour unwilling to take responsibility, and the Tories unwilling to take initiative, 'Faceless Britain' is taking hold.

Call Centres Studies by the Liberal Democrats have shown that so-called 'freephone' numbers used by Government are anything but free – and are likely to hit hardest the people who can afford them least.

One Jobcentre Plus number, introduced in April 2006, received 17.5 million calls in the past year. Although the number is free from a landline, it is a prohibitively expensive option for the 5.25 million callers who have had to contact the number from a mobile phone. Amid soaring tariffs and restrictive call packages, mobile phone users have found themselves being charged as much as 40 pence per minute to make a claim that could take between 45 and 90 minutes to complete, amounting to an annual phone bill between £105 million to £189 million. With many people on low incomes reliant on Pay As You Go mobiles as a budgeting device, this is a penalty for the poor.

The Post Office Since 1997, the Government has been closing Post Offices at a rate of 300 per year. Nearly 4000 have now closed with another 2500 closures due. The effects of the closures will be felt most intensely by those on low incomes, by the elderly, by people with health problems, and those in receipt of state benefit who do not have access to public transport.

Post Office closures will mean that an important source of face to face contact with Government services will be reduced, and that many people who currently use their Post Office to access financial services in areas that do not have a bank will be left with nowhere to go. The Post Office is also an important means of promoting financial inclusion, providing a range of services that enable people to continue living within their community. This has a direct causal effect on poverty and social exclusion.

It is clear that far from improving standards, the Government's preoccupation with meeting benchmarks and delivering efficiency targets has been at the expense of providing good service. Furthermore, it has also had a detrimental impact upon frontline staff – who feel demoralised by constant Whitehall meddling and the perpetual reform of public services. This centralising agenda serves to stifle innovation, distort services and undermine the ability of public service staff to exercise their own judgement.

The NHS Our recent *SOS NHS* campaign highlights the devastating impact of target setting. Since May 1997, the Department of Health has introduced 11 Bills, 14 White Papers and 7 Green Papers on the state of the NHS in a bid to meet targets and deliver services more efficiently. However, this has been at the expense of quality of service provision. Rather than free up resources, the changes implemented by Gershon have forced NHS staff to employ gaming tactics and to reshuffle resources just to meet objectives.

- Some hospitals have had to draft in extra staff to A&E to ensure patients are treated within four hours, at the expense of cancelled operations elsewhere.
- GPs have often had to respond to the targets to provide access within 48 hours by blocking patients from making advance appointments.

To make matters worse, in many cases Labour's erosion of public services is not even saving the taxpayer money. Despite reporting savings of over £20 billion in the past three years alone, Brown has clearly forgotten to account for the billions of pounds that have been

wasted on failed IT projects, for the millions spent on wasteful initiatives, or for the expense and inconvenience to every single person who has to travel a little further on the bus to their local Post Office or Jobcentre Plus just to speak to someone face to face.

Department for Work and Pensions IT Fiasco

The Government has an appalling track record when it comes to large-scale IT projects.

New systems at the Post Office, Passport Office, Probation Service, Police Service, Courts Service and Child Support Agency have all run massively over budget.

The cost of failed computer systems for the Department for Work and Pensions alone has already run to £1.6 billion to date.

ID Cards Labour's ID Card scheme is a clear example of bureaucracy and gigantism gone mad. The Government's new national database will contain everyone's name, address, age and gender. To save money, the database will be built from the existing National Insurance database – even though this is known to be riddled with errors. Even if an accurate database can be constructed, the errors will quickly mount up – as shown by the fact that only about 80% of driver information held by the DVLA is accurate – meaning over 6m erroneous entries.

Labour is already spending about £100,000 a day on ID cards. The Home Office expects the cost of the introduction of ID cards, together with the development of biometric passports, to be £5.7bn over 10 years, not including costs incurred by organisations such as benefit offices and hospitals in actually using the cards. That means everyone will have to pay at least £93 for a passport and ID card – though the London School of Economics has suggested costs could be as high as £300. People will have to pay again if they lose their card, if it is stolen, or if they get married and change their name.

How you can help us

We want to hear from you - whether you have a story about Faceless Britain in action, or a more positive story about where things are working well, perhaps in the private or voluntary sector. Similarly, if you have thoughts on proposals that would help to reverse Faceless Britain, we would be very pleased to hear from you.

Please post your comments on our consultation website – consult.libdems.org.uk or email us with your ideas at harrisonja@parliament.uk

Alternatively, you can come and see us at our consultation event during Spring Conference in March. This event is open to everybody and will take place at 6.15pm on Saturday 8th March at the Liverpool Arena (Venue 7).

After taking the information and views on board from all these processes, we plan to produce a spokesperson's paper and motion, to be debated at Conference in Autumn 2008.

Thank you for your help.