# When We Own It

A model for public ownership in the 21st century





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## Executive summary

Your public services have been taken from you for 40 years. Sold off, outsourced, privatised. Taken from under your feet.

In the UK since the '80s, there's been a political consensus in favour of privatisation. More so in England, and less so in Wales, Scotland and Northern Ireland, which sometimes provide examples we can follow.

But now the ground is shifting. Privatisation has failed. The 21st century brings new challenges, new technology and new expectations. The Labour party's manifesto in 2017 called for public ownership of rail, water, energy and Royal Mail.<sup>1</sup>

Public ownership is incredibly popular. A large majority of the UK public believe public services should work for people not profit.<sup>2</sup>

But what does public ownership actually look like in practice? What difference would it make to your daily life? How do we make public ownership so wildly successful that it can never be dismantled? And what would make it feel like 'we own it'?

This report will attempt to answer those questions. Looking in particular at public transport, water, energy, Royal Mail: industries where we have to start from scratch and recreate them in publicly owned form.

Of course, these aren't the only services we care about. All across the economy, privatisation is deeply embedded in public services, by a mixture of sell-offs, outsourcing and accounting tricks like PFI. Our NHS, schools, social care, prisons and probation, council services like waste management and many others don't belong in the private sector – they should be accountable to us, not to shareholders.

This report aims to put forward a model for public sector ownership, building on and learning from examples from around the world. The focus is on four key sectors – but the aim is to uncover key principles and ideas that could potentially be put into practice across all public services.

#### What will 21st century public ownership look like?

- Public ownership will be local, regional and national. The local level is key for responsiveness and new ideas, the regional level is key for strategy and the national level is vital for setting standards, ensuring equality and sharing best practice.
- The public mission for publicly owned organisations will include duties to decarbonise, to ensure access for all to crucial services, to engage with communities, to steward public assets and land, to make all information publicly available and to maximise public participation in the decisionmaking process.

- A number of different groups need to be involved: government, users, citizens, civil society communities, social and environmental groups workers, managers and unions. All of these groups need to be represented and, as importantly, all bring their own knowledge, experience and perspective
- The key organisations in the new structure will include the publicly owned companies which sit at the heart of the model, 'Participate' a new organisation representing users and citizens, civil society including social, environmental and community groups, the Office for Public Ownership to promote best practice and innovation, sunshine regulation trade associations who share data to improve services and the trade unions.
- Participate is a new democratically accountable organisation that will be created to represent users and citizens. It will operate locally, regionally and nationally, across different public services and exists to hold publicly owned companies accountable and maximise democratic participation.
- Publicly owned organisations will be run by a professional management team and governed by a supervisory board which represents the public interest.
- The supervisory boards of the new publicly owned organisations whether at local, regional or national level should be balanced to include ½ elected/appointed by local/regional/national government as appropriate (democratically elected politicians and also non executive directors with useful expertise, chosen by government), ½ public service users (from Participate), ½ workers or trade unions and ½ civil society (relevant environmental, social or community groups).
- You will be able to hold the new publicly owned companies to account by: finding out what's going on because all data is available; voting for Participate representatives; attending board meetings; going to a shopfront on your high street; feeding back with complaints and compliments, problems and proposals; suggesting new ideas online; popular planning; participatory budgeting; joining with workers to improve public services; voting against any proposals to privatise.

All of this needs to go hand in hand with creating or recreating a new culture of pride in our public services. Austerity and cuts must end. Public services need to be valued and properly funded.

Public ownership of public services is just one part of the jigsaw. Creating a more democratic economy is a bigger task. It will mean a number of alternative models of ownership.<sup>3</sup> It will mean community wealth building across the country.<sup>4</sup> It will mean unleashing cooperatives.<sup>5</sup> It will mean public platforms 'owned and controlled by the people'.<sup>6</sup> It will mean tackling the vast inequality of housing and land distribution across the UK.<sup>7</sup>

But bringing water and energy, public transport and the Royal Mail into public ownership – and making this a huge success – would be a huge step forwards, inspiring confidence that we really can start to own and control all our public services, for people not profit.

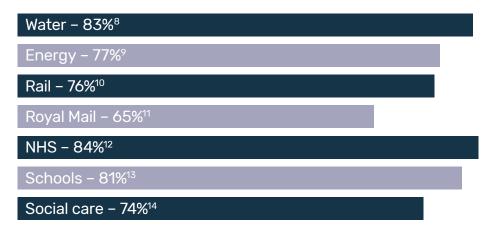
Public ownership is back on the political agenda. All across the world governments and local councils are starting to bring public services back into public hands. **This is a once in a lifetime opportunity.** Let's put the public into public ownership.

## Why does ownership matter?

The extreme ideology that everything – even public services – must be run by private companies has failed.

Public ownership is incredibly popular because it means we can run public services for people not profit – it makes sense both economically and morally.

#### Support for public ownership



Even when people are asked to choose between public ownership, private ownership and 'whatever works', they still choose public ownership.<sup>15</sup> This is a matter of principle.

The idea that a handful of people can profit from public services that we collectively provide goes against the most basic idea of a social contract.

Margaret Thatcher was wrong. There is such a thing as society. We live together, work together, and our instinct is to help each other out.

Public services are a great example of what we do together. They are about cooperation, caring for each other and working to make society better.

"When we decide that certain goods may be bought and sold, we decide, at least implicitly, that it is appropriate to treat them as commodities, as instruments of profits and use. But not all goods are properly valued in this way." Michael Sandel<sup>16</sup>

## What are public services?

**Public services** generally meet these three criteria – and therefore should be owned by us:

### They are important things that everyone needs to live in society.

Water, energy, public transport, health and social care, education, libraries, parks, council services – these are all things that are necessary for society to function and for people to lead happy and full lives.

### 2) They are often natural monopolies.

For example, when you take the train, you don't really have a choice about which one to use. There's no real competition. Private monopolies are the worst of all worlds. You don't have consumer power because you can't go elsewhere. Public ownership means you instead have power as a citizen to make the service better through democratic accountability.

## 3) They reflect our collective priorities – and so demand democratic accountability.

Zero carbon energy. Clean rivers. Our children's education. Our NHS. These issues concern us all they don't belong in the hands of private companies with an eye on their profit margins.

Of course, we can go further than what we might think of as traditional public services or any strict requirement about natural monopolies. It depends what goals we want to achieve as a society. David Hall points out that state services have at various times and places included "banking services, forestry, marketing of dairy products, manufacture of drugs – in the UK some pubs were state-run from 1917 until the 1970s." 17

Thomas Hanna shows that in the US, surprisingly, there is public ownership of airports, ports, local high-speed internet networks, banking, insurance, milling, alcohol and gambling (and public ownership of water and public transport is the norm).<sup>18</sup>

# What do we mean by public ownership?

We Own It defines public ownership as meaning that *profits are reinvested* and *democratic* control belongs to us, the public.

The assets are owned and the overall strategy of the service is set by government on our behalf – whether locally, regionally or nationally. It's vital that these services have strong mechanisms for involving and being accountable to us.

This report focuses on what 21st century, public sector, public ownership looks like for the currently privatised industries of public transport, water, energy and Royal Mail. Of course different services function differently and 'no one size fits all'. However, public services have a lot in common. If we can achieve excellent publicly owned services in these four sectors, this might offer principles, models and conclusions that could apply elsewhere.

We're talking here about public ownership, as distinct from worker ownership, community ownership or cooperatives. We want to see a diversity of ownership models in the economy as a whole but in this report we're looking at public ownership, on behalf of the broad public interest, enabled by government.

(This report doesn't answer the question of whether ALL public services should be purely run in the public sector, or whether cooperatives or not for profit provision can have a role in public services like social care – if there is accountability to citizens and an asset lock. We don't believe profit-making companies have any role in public services, ever.)

## What are we trying to achieve?

In this report we want to clarify what public ownership looks like in practice. We want it to achieve:

EXCELLENT effective, efficient public services that people are happy with

Above all, this has to work. Public ownership has to succeed in giving you high quality, affordable public services that you can be proud of.

#### Public services that creates wealth for everyone in our communities

Most public services might not produce 'profit' in the traditional sense, but every public service produces wealth, whether by supporting our society and economy, returning money to the public purse or creating jobs. This wealth should be held by all of us, not whisked away to private bank accounts in the Cayman Islands.

#### Powerful accountability to citizens not 'the market'

Choice, competition and the free market haven't worked for public services. We need democratic accountability as a real alternative to make sure we get the services we need.

Public services involve public values, a contract between government and citizens, a collective agreement to care for each other – not a market transaction between customers and providers.<sup>19</sup>

#### Meaningful democratic participation

"The trouble with socialism is that it takes up too many evenings" – Oscar Wilde

Some people want to be super involved – the trainspotters, the troublemakers, the campaigners, the people who want to dive into the detail. Some people don't care at all. Many of us are somewhere in the middle. We want to be involved if we can easily have meaningful input into decision making. When things go wrong, we want to make sure it doesn't happen again. If we have a chance to participate in an inspiring way, we could start to build a culture where people feel a greater sense of agency to work together for change.

#### Changing the culture. A real sense that 'we own it' and that public services are something to be proud of

Public services are the best thing humans have ever invented. If we really feel like public services belong to us, it'll be easier to fight for them if we have to. Privatising the NHS is still seen as unacceptable – which has forced privateers to privatise 'by the back door'.

#### Institutionalising change through real powers that will make it hard for public services to be dismantled in the future

Public ownership of public services should be non-negotiable. Every future government realises that they can't revert to privatisation. There is a general understanding that we need a mixed economy with a strong, successful public sector.

# What's different about the 21st century?

New expectations and technologies mean now is a good time to put the public in public ownership. New challenges make this urgent.

#### 1 New challenges

The 21st century brings new challenges. These include huge environmental challenges including a climate emergency which threatens to destabilise our entire way of life, the threat of water shortages in England in 25 years and the loss of biodiversity.<sup>20</sup> Inequality has reached dangerous proportions, our population is ageing and there are deep new political rifts in our society. Democracy is filtered through online spaces that we don't own or control.

Public ownership can play an important role in meeting these challenges.

Firstly, publicly owned companies can put their purpose or mission ahead of profit. So for example, publicly owned water companies can invest money in reducing leaks or looking after our rivers instead of funnelling that money back to investors.

Secondly, public ownership gives us a much needed space to build collective responses to the huge challenges we face. We have to solve these problems together and in a way that makes the most of our collective intelligence. Participatory public services aren't the whole answer here – but they start to create infrastructure and culture that help us do this.

#### 2 New technologies

When our public services were last in public ownership, the internet was barely relevant to most people's daily lives. Today, the average person in the UK spends more than a day a week online, twice as long as 10 years ago, and 78% of us own smartphones. Across the world, 2 billion people are on Facebook. Tech companies Google, Facebook, Amazon and Apple consistently top the list of the most valuable brands in the world. Data – their stock in trade – has been described as the new oil of the digital era.

Technology has created new opportunities for us to organise ourselves. Computers can supplement and combine with human intelligence in useful new ways.<sup>23</sup> Online, we can make new connections, organise meetings, build new communities and vote instantaneously. We can give speedy feedback, share data and ideas and start new conversations to improve our public services. The potential is huge.

At the same time, addiction to social media can sit alongside a hunger for face to face contact. The internet can lead to social isolation and disempowering loneliness. Public services that give us a deeper connection in real life are vital. As humans we need to talk to each other. The internet gives us breadth but we need depth too.

Public services need to reach us both online and offline, and the interface between digital and face to face is crucial too. Digital communication should encourage people to come together in real life. And real life spaces can encourage people to feed in online.

In addition, Google and Facebook represent new public infrastructure and new public spaces. They are vital services and natural monopolies. Data is arguably a collective good.<sup>24</sup> We need to find a way to democratically set the rules of the game for the new public infrastructure created since the internet. We argue elsewhere that Facebook is essentially the new town square which should be run by an accountable, global cooperative – but we can't deal with that in this report.<sup>25</sup>

#### 3 New expectations

People are more educated and have higher expectations of being able to participate than when the welfare state was first created. The internet and mobile phones mean communication is today much easier than it was in the 1970s. As consumers, it's never been easier to click online and rate a service or give feedback. When it comes to public services, we want our views to be taken into account too.

Many of us are wary of both over centralised, bureaucratic state power and the inaccessible, unaccountable corporations created by global capitalism. The idea that 'small is beautiful' is popular, that power should sit as closely to people as possible.<sup>26</sup>

We need to put communities at the heart of public services. That means creating 'a new, egalitarian relationship...between public servants and citizens' and giving people real powers to get the services they need.<sup>27</sup>

In the 21st century, the public sector has an opportunity to show what participatory, responsive public ownership looks like. This means government trusting people, creating opportunities for maximum participation and using the knowledge of citizens, communities and workers to build better services for all of us.

"Socialists should insist on using the nationalised industries not simply to out-capitalise the capitalists – an attempt in which they may or may not succeed – but to evolve a more democratic and dignified system of industrial administration, a more humane employment of machinery, and a more intelligent utilization of the fruits of human ingenuity and effort. If they can do this, they have the future in their hands. If they cannot, they have nothing to offer that is worthy of the sweat of free-born men." Ernst Friedrich Schumacher<sup>28</sup>

#### 4. New economics

Many people have lost faith in the old economic orthodoxy since the financial crisis of 2008, followed by a decade of destructive 'austerity', peak inequality and the useless accumulation of profits in tax havens.<sup>29</sup> Even US corporate CEOs worry that "capitalism is broken...failing a large percentage of the population".<sup>30</sup> Public ownership can play a key part in building an economy that works for all of us.

"Our current system is programmed not to meet citizens' needs but rather to steadily concentrate the lion's share of economic gains in the hands of a small elite." Martin O'Neill and Joe Guinan<sup>31</sup>



### Privatisation has failed

## Time is up for privatisation – it has utterly failed to deliver what people want and need, because

#### 1) Privatisation is inefficient and costs you more

We've all been ripped off since privatisation. Our rail and bus fares have increased far beyond inflation.<sup>32</sup> Water bills are up 40%.<sup>33</sup> Energy bills have forced people into fuel poverty.<sup>34</sup> Stamp prices have risen.<sup>35</sup> In the US, they pay double what we pay for their privatised health system and get worse outcomes.<sup>36</sup>

Privatisation costs money because wealth is extracted out of the pockets of ordinary citizens and into the bank accounts of the shareholders and private interests. Companies like Carillion or Virgin Trains enter into the public services 'market' on the understanding that they can charge us more for a service than it costs them to produce.

In a privatised service, dividends must be paid to shareholders, not reinvested in better services. Interest rates are higher for private companies than they are for government. Plus, there are the extra costs of creating and regulating an artificial market. That means less money to reinvest in better services.

The fragmentation of privatisation creates extra costs and inefficiencies. Managing complex contracts with private companies like G4S and Serco is a waste of public resources.

## 2) Private companies leave the risk and responsibility with the state

Private companies cherry pick the profitable bits of a service so they can make as much money as possible.

For example, bus companies will only run services in busy areas, so rural communities lose out unless government steps in with a subsidy. (It's more efficient to run public services in public ownership so that profits can be reinvested across the whole network as needed.)

The Royal Mail covers the last mile, while parcel companies pick and choose the lucrative work.

Since Grayling's privatisation of probation in 2015, private companies are paid to manage medium to low risk offenders, while the state continues to take responsibility for high risk offenders. The system has been described by the chief probation officer as 'irredeemably flawed'.<sup>37</sup>

Plus, the public has to pick up the pieces when things go wrong. For example, when Carillion collapsed<sup>38</sup>, and when Stagecoach and Virgin failed to deliver on the payments they'd promised on the East Coast line, the government had to step in to rescue the service.<sup>39</sup>

Councils and government departments are responsible for meeting the needs of the public – which means they end up paying extra for flexibility from private companies when contracts need changes or additions.

## 3) Privatisation has created artificial markets where they don't belong, leading to perverse incentives

Public services involve caring for people. But private companies make a profit from public services by cutting corners or underinvesting. There is a conflict between making a profit and taking the time to care. For example, private care workers often can't stop for a cup of tea with an older, vulnerable person they are caring for – because they're only allowed 15 minutes for their visits.<sup>40</sup>

Good outcomes for society – like fewer people in prison or less crime – may be bad news for private companies who profit from contracts providing these services. These companies aren't incentivised to put themselves out of a job by solving our collective problems.

Private companies are often competing for contracts and have no incentive to share information – but collaboration is often important to achieve the best results, for example in the NHS. This makes it harder to work together to provide an integrated, effective service.

Tying ourselves in knots to create markets and choice in every sector doesn't make sense. Energy 'customers' don't want to have to switch to get the best deal. The Competition Commission noted that bus passengers have a 'tendency to board the first bus that arrives at the bus stop' instead of behaving like real consumers.<sup>41</sup>

#### 4) Privatisation fails to invest in our future

Private energy companies fail to invest in our green energy future. Local communities build renewable energy projects but the private monopolies which run the electricity networks are slow to connect them to the grid. Western Power Networks (owned by US shareholders) complained about new solar farms requiring 'quite expensive' investment in infrastructure.<sup>42</sup>

Private water companies pollute our rivers and have killed thousands of fish.<sup>43</sup> They have failed to respond adequately to flooding.<sup>44</sup>

If the government wants train companies to use new and greener trains, or extra services to serve new communities, we have to pay extra for it.

Private companies are accountable to their shareholders, not us, so they take a cut at every stage. If we want to invest in a better future, we need publicly owned organisations with a public mission to deliver for everyone, for the future.

## What public ownership can deliver

#### Better outcomes for society

Public ownership means we can achieve **great results for society** that won't happen if we leave it up to the market. Instead of being worried about 'political interference' we should recognise that we need politicians to deliver on bold plans to improve life for everyone. For example, Attlee's vision for the NHS has transformed the kind of country we are. Ken Livingstone's 'freedom pass' has had a big impact on the lives of older and disabled people in London. In Paris, the Mayor introduced public ownership of water, reducing bills and making the city a nicer place to live in.

"Public services...only exist to meet the needs of each inhabitant as well as of any community and their different actors (economic, social, cultural)...They come under 'political' decisions and choices, that is, under the definition of "living together" today and tomorrow" Pierre Bauby<sup>45</sup>

Public ownership should mean managing public assets (like student loans) or public land (like school playing fields) for public benefit – stewarding them for the future, not selling them off for a quick buck. **Public assets and land can help us achieve outcomes** for society (creating green public spaces, affordable housing, renewable energy and so on) or make money for the public purse. Land use and charging policies can reinforce government policy. For example, car parking charges can reduce car use while providing funds for improving bus services.

Publicly owned companies can be required to have certain duties – for example a duty to decarbonise or to promote biodiversity – or to meet certain national standards. La Poste, the publicly owned postal service in France, has a commitment to reduce its ecological footprint.<sup>46</sup> It also offers a universal banking service. In Germany, renewable energy producers have a guaranteed right of access to the electricity grid.<sup>47</sup> Slovakia provides free rail transport for children, students and pensioners.<sup>48</sup> The public sector can also lead the way in making changes that should happen across the whole economy – for example, introducing maximum pay ratios and a living wage and ending the gender pay gap.

The Centre for Local Economic Strategies (CLES) proposes a 'national statement of public values' that all institutions and individuals have to sign up to.<sup>49</sup> This would be like a Hippocratic Oath that would apply to all public servants, not just healthcare workers. It would confirm a commitment to democracy, community participation, equality, human dignity, stewardship of the environment and the redistribution of resources for everyone's benefit. These values build on the Nolan Principles of public life; 'selflessness, integrity, objectivity, accountability, openness, honesty and leadership'.<sup>50</sup>

#### **CASE STUDY: Energy in Munich**

The city of Munich in Germany has committed itself to developing an electricity supply that is 100% municipal and 100% from renewable energy. The council did this because they were tired of waiting for the private companies to make the necessary investments, and they were confident that the city council could do the job better – putting sustainability before profit. By 2025, the utility company aims to produce so much green energy, that the entire demand of the city can be met.<sup>51</sup>

#### A better deal for the public purse

It's a big myth that private companies are more efficient than the public sector. The evidence from hundreds of studies in the last 25 years shows otherwise: there is no inherent difference in efficiency between public and private ownership. It's the same in every sector – water, energy, rail, bus, prisons, healthcare, ports and airports, even telecoms – and in all countries, including the UK.<sup>52</sup>

Plus, public ownership has an intrinsic advantage when it comes to finance. We don't have to waste public money on paying dividends to shareholders, and governments can borrow more cheaply than the private sector for investment. These savings are huge. And we can reinvest them directly into improving services or use them to reduce prices.

#### Savings every year under public ownership

Energy: £3.2 billion<sup>53</sup>

Water: £2.3 billion<sup>54</sup>

Rail: £1 billion<sup>55</sup>

Buses: £506 million<sup>56</sup>

Royal Mail: £373 million<sup>57</sup>

NHS: £4.5 billion

(at least - that's a conservative estimate of the cost of the internal market)<sup>58</sup>

PFI: £1.4 billion<sup>59</sup>

**Bringing contracts in house saves money.** Research by the Association for Public Service Excellence (APSE) shows that saving money is a key motivator for councils to insource services.<sup>60</sup>

**Acquiring profitable assets is a good investment.** So, for example, even if we paid £24 billion in compensation (a generous estimate) to get publicly owned electricity and gas networks, it would pay for itself in less than 8 years because of the savings we make.<sup>61</sup>

Buying directly saves money and can boost local economies. For example, when the publicly owned railway company buys trains directly, this will save £200 million a year (the profits that currently go to rolling stock company shareholders).<sup>62</sup> Procurement can be used to support local economies and communities.

#### **CASE STUDY: Reading Buses**

As a municipally owned bus service, Reading Buses can invest an additional £3 million a year in the bus network (around 12–15% of its annual turnover) because it doesn't pay out dividends to private shareholders. The extra money means better quality buses, and is one reason why more people take the bus in Reading.<sup>63</sup>

#### Better services

As explained above, **public ownership means more money to reinvest**. This could mean cutting bills or fares – giving people a good deal as standard – or investing in more or better services. Across Europe, bills are around 30% lower when energy companies are in public ownership.<sup>64</sup> Services can be run in an integrated, efficient way, sharing knowledge and cross subsidising to make sure everyone has the service they need.

In setting up new publicly owned organisations, **government should learn from all sectors**, including the private sector, about what makes a great organisation. The Happy Manifesto talks about how to bring out the best in people and create fantastic workplaces. <sup>65</sup> Lencioni shows how building trust allows for productive conflict, accountability and achieving great results. <sup>66</sup> Publicly owned organisations need to get comfortable embracing feedback – positive and negative – from users and staff.

We need to get management right, alongside ownership. Sahil Dutta shows how 'New Public Management' in the public sector has led to top managers focussing on narrow targets and bureaucracy. Giving more power to frontline workers and users is a more effective approach.<sup>67</sup>

Workers and users can join together to make improvements to public services. Increasing user and community involvement means more information, joined up services and motivation for workers. It can lead to impressive outcomes like better services, lower costs, higher satisfaction, environmental improvements, reductions in crime, healthier communities and more job opportunities. The government itself has found that 'the costs of (community) involvement are relatively modest and are often outweighed by benefits'.68

#### Democratic participation to tackle challenges

Accountability mechanisms and participation are the best ways to make sure that our public services deliver. When things go wrong, people know how to hold publicly owned organisations accountable, and how to pitch in and help solve the problem.

But public ownership also means democratising a significant chunk of our economy – and the participation that will result is important in its own right.

The potential benefits are huge:

- Participation can help to encourage new ways of thinking and behaving as citizens, rather than consumers. Thatcher wanted to 'change the heart and soul' in the direction of individualism and competition. A more participatory culture can help us bring out the best in people, by building a society with strong values like solidarity, cooperation and empowerment.<sup>69</sup>
- If done in the right way, creating more participation could help to increase the voices of black and ethnic minority people and working class people, as well as women, disabled people and other groups.
- Participation can help knit together communities, reducing loneliness and apathy and giving us all a sense that we matter, and that we're part of something bigger.
- Participation means tackling big challenges like climate breakdown together, and creating a new space for conversation about what we want for society and for our communities.

#### Good public service jobs

Public service workers are working for the common good and serving communities. Research suggests that they are motivated by working in the public interest, and demotivated when they feel it is not being properly served.<sup>71</sup>

Public service professions involve highly skilled, vitally important work. From the doctors in our hospitals to the construction workers on our railway, many in the public sector want to get on with their job of helping people. We need to give people the time and resources they need to do their job and respect their **professional integrity**.

At a time when job dissatisfaction is at an all-time high, public services have the potential to provide meaningful work, decent pay and conditions and long term progression.<sup>72</sup> The public sector generally scores better on job tenure, skills, security, regular hours and pay. Unions have a key role to play in promoting **good quality jobs** and preventing the race to the bottom that we've seen with outsourced and privatised services.<sup>73</sup>

Public service jobs, in general, should not be automated. Our society will be better if we have **humans rather than robots** caring for older people, keeping people safe on public transport, treating patients, educating children and so on. Having more jobs like these should be part of initiatives like a Green New Deal – and will help reduce loneliness and increase happiness and connection between us.



# When we own our **PUBLIC TRANSPORT**

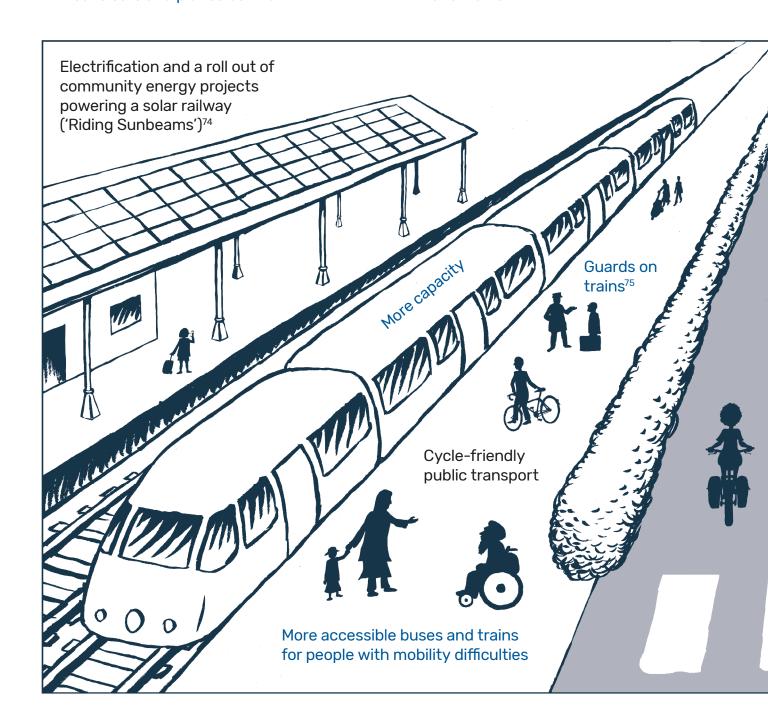
A new UK-wide integrated public transport network could give us...

Simpler, cheaper fares

Free wifi on every train

Prices that encourage people to leave cars and planes behind

Greener, cleaner buses and trains



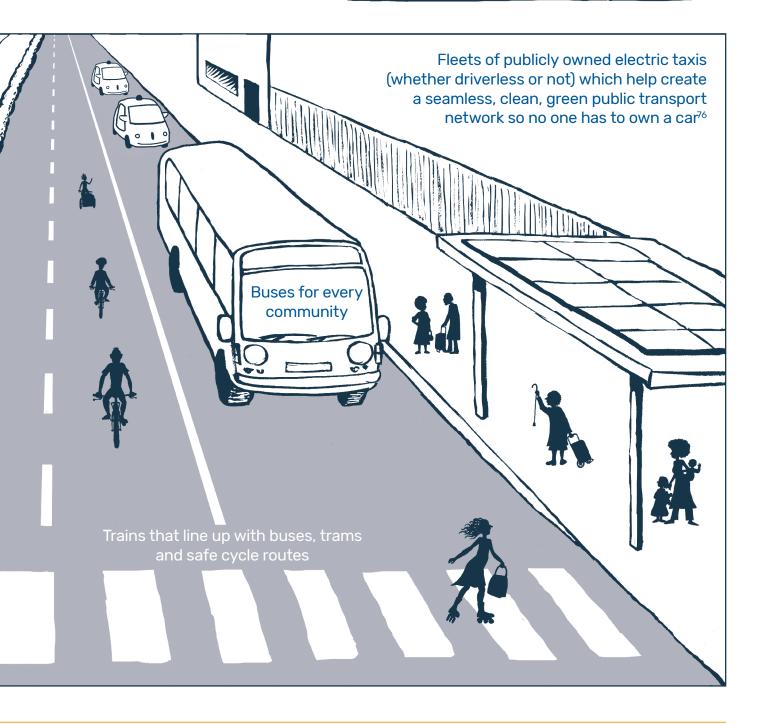
Buses were deregulated and privatised in 1986, British Rail was broken up and privatised between 1994 and 1997.

New rail lines and stations

Much more transport investment in the North

"The current price of train travel has priced my family out of using the train. We always had a family railcard but as our kids have got older, that's not an option for us anymore. We would be much better off with publicly owned transport." Sally Stone, We Own It supporter





## When we own our **WATER**

Publicly owned regional water companies in England could give us...

Lower water bills

New buildings which capture rainwater for toilets and gardens



Access points for homeless people to get water

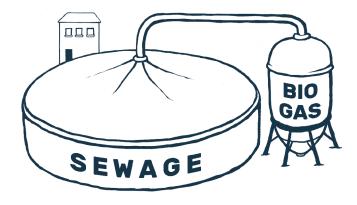


Less water lost through leaks

The English regional water companies were sold off in 1989 (in Scotland and Northern Ireland water is already publicly owned and in Wales it's a not for profit).

"Water is a finite resource, under threat now with climate change. We need to look after water better." KS, We Own It supporter







Sewage treatment plants reconfigured into biogas generating plants

Tree planting to help tackle flooding



New turbines to generate energy from weirs

Incentives for farmers to go organic and support wetland biodiversity



Still and sparkling water fountains in every village, town and city, making it easier to reuse water bottles and tackle plastic pollution #SocialismWithASparkle ©

A no fracking policy

Public toilets in every village, town and city

Partnerships with community conservation groups and schools to improve the environment

Protection for water quality and wildlife in our rivers, canals and waterways

Reservoirs opened up for leisure activities



Thanks to everyone who contributed many of these ideas in our People's Plan for Water!

## When we own our **ENERGY**

An energy system that works for people not profit could give us...

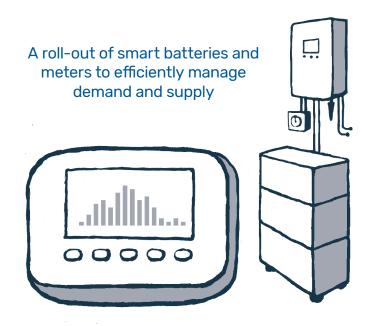
An urgent transition to zero carbon energy across the country

Financial support to make existing buildings energy efficient and new buildings carbon neutral



British Gas was sold off in 1986, electricity in 1989 and the National Grid was formed as a private company in 1990.



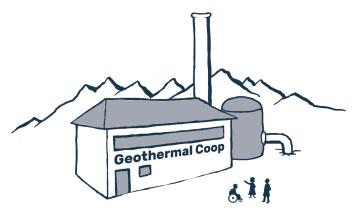




Government investment in large scale renewables including publicly owned offshore wind



Lots of 'Green New Deal' jobs in generating renewable energy and retrofitting homes<sup>78</sup>



A publicly owned grid working with local communities to develop and connect new renewable energy projects



Publicly owned, trustworthy companies going door to door, offering support and advice on reducing bills and making homes greener – not private supply companies trying to rip us off

An end to fuel poverty through lower prices

"It's simply immoral that essential public utilities that provide heating and light should be at the mercy of 'spivs and speculators'."

Michael Denholm, We Own It supporter

### When we own our ROYAL MAIL

### A publicly owned Royal Mail could give us...

A more convenient, flexible parcel service

An end to the wasteful duplication in the parcels market – to reduce environmental impact and stop the race to the bottom for workers



Electric post buses in rural areas – which transport people and parcels together to maximise efficiency!

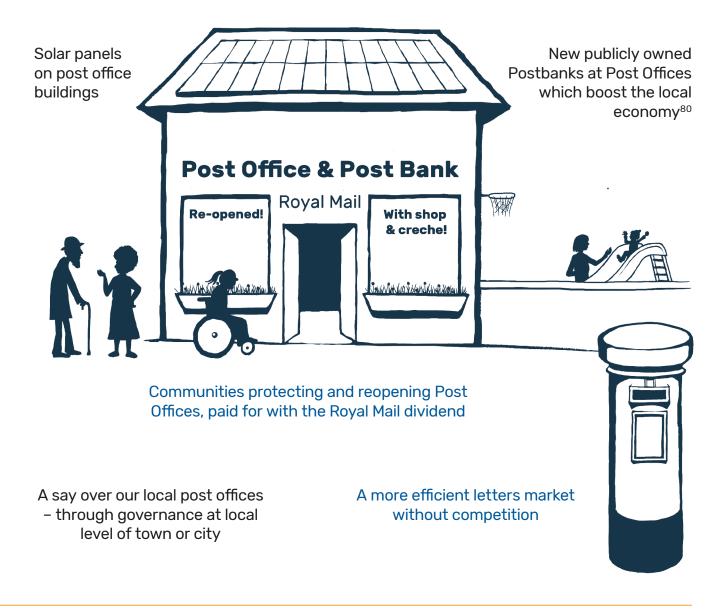
The Royal Mail was sold off in 2013–2015 (after nearly 500 years in public ownership).



Postworkers with a community role, who tackle loneliness and isolation by checking up on older or vulnerable people in their homes. Royal Mail is the only public service that visits our homes 6 days a week<sup>79</sup>

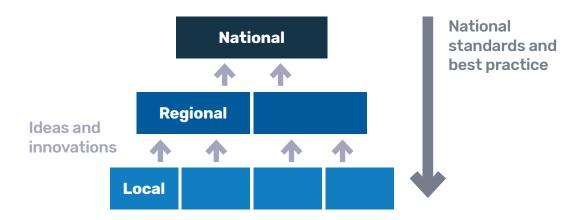


#### The Royal Mail and the Post Office, back together again



# Public ownership is local, regional and national

This isn't about 'renationalising'. It's about public ownership – going forwards, not backwards, at the local, regional and national level to run services for people not profit.



#### Scale depends on context

Public ownership operates locally, regionally and nationally, depending on what is appropriate for the sector. Different public services operate primarily at different levels. For example, it makes sense for bus companies to be local, water companies to be regional and the National Grid to be national. The structures and principles that we outline in this report can be applied at any of these levels.

## Most public services have a local, regional and national component

At the same time, any service will operate at all levels to some extent. For example, your bus company might be local, but it operates within a wider – possibly regional – travel to work area. Transport planning might need to be done at a regional level, linking your buses with other transport modes like walking and cycling, tram or train. There are also national level bus and transport policies – these sit in the Department for Transport.

For water, the key level might be regional. The regional water company provides water and sewerage service. However, there will be local issues around protecting rivers, dealing with leaks or introducing water fountains to your city. We experience our water at the local level, even if it's provided at the regional level. Again, there is also a national level. There may be national policy around planning for flood management, wildlife protection,

water conservation or ensuring water quality. There will be links to health policy or climate change policy.

The National Grid and the Royal Mail (and Post Office) are primarily important national networks and infrastructure. But they'll both need new regional or local governance structures with a duty to work closely with local groups – like community energy groups and local post offices. The railway is national infrastructure but it needs to be part of regional and local public transport planning.

In Wales, Scotland and Northern Ireland, water is run by Glas Cymru (not for profit), Scottish Water (publicly owned) and Northern Irish Water (publicly owned) respectively. Rail in Wales and Scotland is still privatised, and buses are still deregulated, although both countries have powers to run transport differently. In Northern Ireland public transport is publicly owned and run. Privatisation of energy and the privatised Royal Mail works across the whole of the UK, including Northern Ireland.

#### The local level

The local state will play a key role in the public ownership of the future. This is where we can all actively participate in the democratic control of public services. Power should sit in our communities as far as possible instead of being horded in Westminster.

All over the world, the local state is playing a crucial role in taking public services into public hands so they work for citizens. The Transnational Institute (TNI) has shown that cities around the world are taking democratic decisions to take control of their local water or energy supply, sometimes backed by popular votes.<sup>81</sup>

Many towns and cities in France have taken water back into public ownership. In Germany, local, public energy is huge. This is a global trend. From New Delhi to Barcelona, from Argentina to the USA, thousands of politicians, public officials, workers, unions and social movements are reclaiming or creating public services to address people's basic needs and respond to environmental challenges.

The TNI research shows that there have been at least 835 examples of (re) municipalisation of public services worldwide since 2000, involving more than 1,600 towns and cities in 45 countries. There are different models of public ownership happening, with various levels of involvement by citizens and workers.<sup>82</sup>

In understanding the role that the local should play in public ownership, we should embrace **the principle of subsidiarity** – meaning that decisions are, where possible, taken at the lowest possible level. This does not mean that we never act at a national or regional level, but instead means that our *impulse* should always be to get out of London, the regional capital, or even the local town hall, and onto the streets themselves. Local people in a village, town or city can be actively involved in the process of planning their public services. This means we need local control, devolution, powers, funding, capacity building and accountability.

The local level is useful in experimenting with **innovative new models**. Changing things at a national level will usually take time in a country with 60 million citizens, but locally you can move fast.

Recognising that every public service has a local element can help us see where there isn't currently much **democracy and participation**. For example, if local communities start to get more involved in a service – whether parks or schools, buses or water, we might look to more traditionally national services like the NHS and ask if we can involve local people more there.

#### The regional level

The regional level spans the gap between the local and the national. If we are providing public services at scale, we need to plan at the regional level. This level often reflects geographic boundaries (like river basins) or economic boundaries (like travel to work areas).

City regions have more scale than the local authority and more direct control than the national level. This can strengthen the local appetite for devolution and combined authority control. City regions and local authorities together can create more transparency, accountability and democracy around public services. They may also need to raise revenue and build capacity to make this happen.

The regional level coordinates with the local and national levels. For example, a £235 million Scottish Borders project to reopen Borders Railway was led by the three local authorities of Edinburgh, Midlothian and Scottish Borders. Seven new stations were opened and now there's an hourly service. The funding came from the Scottish Government as well as the authorities involved.

#### The national level

"Forms of public ownership at higher scales beyond the local...
are necessary in advanced societies to grapple with the problems
(such as climate change, transport and communications, supply of
electricity) that cannot always be dealt with at lower scales"

Andrew Cumbers<sup>83</sup>

We need **national standards**, **frameworks and procedures** to ensure certain outcomes across the whole country. For example, environmental standards, health and safety standards, technical and efficiency standards and accessibility or equality standards to ensure universal service provision – everyone receives a certain level of service.

On the railway, there are national **technical standards** to enable inter-operability. Trains, tracks and equipment match each other across the country – it's more efficient that way. Timetables need to sync up across the whole network. **Safety** has to be a top priority across the country.

The national level is also important for running a network which

geographically requires **coordination** at that scale – for example, the National Grid or the railway. We can achieve more efficiency and economies of scale by acknowledging that this is national infrastructure and needs to be run, planned and managed as such.

The national level has an important role in providing **funding** to enable capacity building at regional and local levels. This might involve cross subsidy across a national network or extra funding for poorer areas.

More ambitiously, **national level planning** – long term big picture strategy and policies like tackling climate breakdown, protecting the environment, job creation or education cover the whole country.

The sentiment of 'no one size fits all' partly comes from wanting public services that recognise the uniqueness of people and places. For example, no patient is the same and every local hospital is unique. But the logic of embracing every level (local, regional and national) means we can fully support national standards for our NHS, while understanding that there are local differences.

If national standards are useful in the NHS, they may also be useful in other public services. For example, you can be sure that there will be a post office in the nearest village or town and access to a park or green space within a half mile of your house. In a town or village of a certain size (say, above 300 residents) you can expect a certain level of public transport so you know you don't need a car. This would make public transport closer to a universal basic right and fit with proposals for **Universal Basic Services**. <sup>84</sup> National standards like these would transform what we expect of our public services.

#### The best of all worlds

As Compass points out, *centralisation* and *diversity* need to be balanced so that we can have equality for everyone alongside the freedom to experiment.<sup>85</sup> If we combine national standards and policies with the flexibility to innovate locally and regionally, we get the best of all worlds. At the local level, there will be new innovations and best practice emerging. These **local improvements can be shared nationally** so that other places can learn from them. Our new public ownership model will help us develop and roll out new ideas across the country so they can become part of new national standards.



## Who is involved and why?

In this model of public ownership, we suggest there are a number of key groups which will always be relevant to delivering public services. These groups should be **represented** in governance structures and **encouraged to participate actively** to make services better.

#### Government

Elected politicians – whether at the local, regional or national level – are the democratic voice of the people and can deliver results and bold new policies for the public that can't be delivered by the market. Our politicians can more easily be held accountable if they are part of the governance structures of public ownership.

#### **Users/citizens**

As **citizens**, **taxpayers** and **voters** we all want public services that deliver for society as a whole in terms of their public mission, effectively and efficiently.

As **people who use public services** we can

- Experience at first hand how it works
- Know how it feels to use public services
- Spot solutions/innovations to improve services

#### **Civil society**

Civil society – whether that's **local community groups or social and environmental organisations** at the national level – have a unique perspective on the public interest.

#### Civil society groups

- Bring a long term, big picture viewpoint on environmental/social/ economic angles
- · May have expertise in particular areas of policy
- Can make sure marginalised groups/key interests are represented
- Create an opportunity for government to interact with and strengthen communities

#### **Workers**

#### Frontline workers

- Experience at first hand how public services work, know how it feels to work in them
- Spot solutions/innovations to improve services
- Have professional skills, understanding, experience and technical knowledge
- Have access to a tried and tested evidence base for what works

"No one wants a group of hipster makers to crowdsource an appendectomy, right?" Henry Timms, co-author of 'New Power'86

**Managers** have an overview of what can be delivered – their expertise is harnessed through the sunshine regulation trade associations. They also have access to an evidence base and professional and technical skills, knowledge and experience.

**Unions** have a vital role in defending the interests of workers and ensuring public sector jobs are decent.

In all of this we need to balance *professionalism* – experience and expertise – with *voice* – participation, democracy and co-production.<sup>87</sup>



## A model for public ownership



The **publicly owned company** – in whatever sector, whether local, regional or national – sits at the centre of the new model. The company is managed by a professional management team. It is held accountable by a board which includes representatives of government, public service users, citizens, civil society and workers.

The public service users organisation 'Participate' – again across sectors and local, regional and national areas – is responsible for public participation in services. It does what the regulators have never done, holding government to account for the service provided and ensuring active public participation in the entire budgeting and decision-making process.

**Civil society** – local community groups, social and environmental groups at the local, regional or national level – these represent the broader public interest, different local areas, interest groups and perspectives.

The **sunshine regulation trade associations** involves the publicly owned companies across a sector coming together to share best practice and learn from each other to improve services. They make all information available to the public.

The **Office of Public Ownership** works within government to make sure public ownership in the UK is a huge success. It ensures that standards are high and works to develop public ownership in new areas of public infrastructure.

The **trade unions** – across sectors and local, regional and national – are the voice of public service workers. They are represented in the governance structures and will be part of a new culture of constantly improving services.

## The publicly owned company

Publicly owned companies have a public mission to deliver for the environment, society and the economy, and governance structures which reflect the broad public interest.

In the 21st century, publicly owned companies need to deliver high quality, effective, efficient public services.

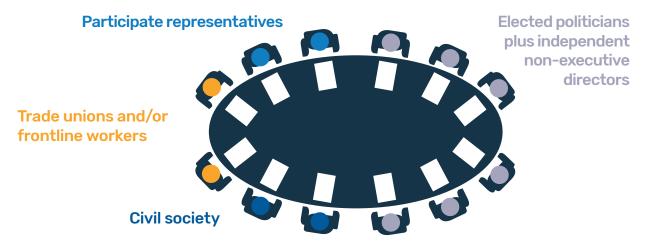
They have a number of duties to reflect their public mission:

- A duty to decarbonise our economy
- A duty to ensure access for all to public services, enabling equality and ease of use for everyone
- A duty to work closely with communities to encourage and enable local projects and initiatives that involve public services and spaces
- A duty to steward and protect public assets and land no public sector asset can be sold unless it's in order to buy an asset of equal value
- A duty to maximise public scrutiny by enabling transparency and debate about public interest goals and planning around new technology. This includes a duty to make all information easily available to the public – the 'infomax' duty

All publicly owned companies will be **run by professional management teams** who are responsible for **day to day operations** which **deliver on the strategy** that has been agreed. These professionals are experienced, know how public services work in each sector and can focus on getting the job done.

The publicly owned company – whether local, regional or national – also has a **supervisory board which provides democratic oversight and public accountability** for the work of the professionally managed company. It sets the **overall strategy** for the organisation and makes key decisions on investment and pricing, feeding in conclusions from public planning processes.

#### The supervisory board includes:



- Elected politicians plus independent non-executive directors appointed by government (local, regional or national as appropriate) for the expertise and experience they bring. Elected politicians on boards should reflect geographical areas and political parties in a proportionate way. Non-execs could include professionals with useful industry, technical, academic or business backgrounds. Together, these board members make up half of the Board because government is the democratic voice of the people and has a statutory duty to provide a service and be held accountable for it.
- Participate representatives the voice of public service users. Reps are
  elected by everyone who votes in the relevant constituency. They have
  direct experience of the public service and represent the people who use it.
- Trade unions and/or frontline workers workers have direct frontline knowledge of how to improve services.
- Civil society community groups or environmental and social groups, as appropriate – to represent all citizens and communities / the long term public interest. They are appointed by Participate reps.

For example, the **new, regional, publicly owned Thames Water** will be run by a professional management team, day to day, who are responsible for delivering the water and sewerage service.

The new supervisory board of Thames Water, holding the professional management team to account, might include

- 4 councillors from across London and the South East
- 1 water scientist appointed by the government
- 1 non-executive director with experience in the water industry, also appointed by government
- 2 Participate reps who have been trained up to represent water users in the South East (who work closely with organisations like the renters unions and Citizens Advice)
- 2 union reps (from GMB, UNISON or Unite)
- 2 people from relevant civil society organisations, appointed by Participate perhaps the CEO of the Rivers Trust and a director of 10:10 climate action

#### **CASE STUDY: Water in Paris**

In 2010 the city of Paris brought water into public ownership after 25 years of privatisation. Citizens are represented on the board of directors and they influence policy through the Water Observatory. Paris Water's board is made up of city councillors, staff representatives, representatives of the Observatory, a consumer rights group, an environmental association, a local democracy expert and a water scientist. The Water Observatory represents different water users – housing management agencies, tenants associations, consumer associations, trade unions and environmental associations. Since public ownership was introduced, water bills have been cut, leakage levels have halved, an innovative new lab has improved water quality, and Paris has introduced water fountains of both still and sparkling water! #SocialismWithASparkle

## Participate

#### Your voice in public services

The trade unions organise workers. The people who use public services also need to be organised through a new organisation: Participate.

Participate is a **new**, **democratically accountable body which represents everyone who uses public services**. It is constituted as a nationwide community benefit society (a form of cooperative).

Participate holds the new publicly owned companies to account. Its job is to make sure public services are working well for users and to make it as easy as possible for you to participate in a meaningful way. You can participate as much or as little as you want to.

Everyone in the country over the age of 16 is eligible to be a member, as people who use public services. You can register quickly and easily on Participate's website or at a high street shop. Once you've opted in, you'll be asked which public services you're interested in and told about upcoming elections where you're entitled to vote and other ways you can get involved.

You can vote in relevant elections for

- the national supervisory board of Participate
- the regional Participate ombudsman
- public service representatives in different sectors (local, regional or national depending on the service). For example, everyone in the North West can vote for the public reps in the new United Utilities

We suggest the name Participate because it's active and it shows we want to create a new, more **participatory public culture**.

Participate operates **across sectors** (Participate: Rail, Participate: Energy and so on.) It operates **locally, regionally and nationally** as appropriate, and it **works with civil society and community groups** at every level.

#### Participate will

- · Maximise public participation in public services, online and in real life
- Have strong powers to represent public service users and work with them to improve services
- Provide representatives for the boards of publicly owned organisations

Currently many appointments for consumer bodies are simply made by government behind closed doors. Participate is completely **independent from government** – therefore it's able to powerfully hold publicly owned companies accountable.

"Decisions over the shape and size of public services are unavoidably political. Political processes often happen in private, with decisions being made behind closed doors. This has been one weakness of public sector organisations, especially those based on a closed centralist model, which deliberately seek to keep state decisions secret and to exclude the possibility of public influence on the result." David Hall<sup>88</sup>

Participate has **statutory powers** but is genuinely accountable to the users of public services and is embedded in every public service. Their reps will be the eyes and ears of the public on the ground, making sure that public services are working well (and fighting back against any attempts to reprivatise them).

Participate deals with **appeals** where complaints have not been resolved with the publicly owned company. It takes on the role of 'super-complainant' if there is a bigger issue.

Participate makes sure there is 'access for all' to public services. For example, on public transport they would work in particular on behalf of disabled people, older people, parents with children in buggies and so on.

Participate trains up elected representatives in the **soft skills and techniques** that make participatory processes effective and empowering.

Participate's statutory powers and independence make it **hard to dismantle** – along with the fact that it's a new, democratic institution that works hard to involve the public.

#### CASE STUDY: Oil in Norway89

In Norway, the publicly owned company Statoil was set up in 1972 in order to control the use of oil in the interests of the 'whole of society'. The company was subject to a lot of democratic scrutiny and debate in parliament. This led to the establishment of a 'Petroleum Directorate', an independent organisation with responsibility for regulating and controlling North Sea oil and gas resources. One of its major achievements was to strengthen health and safety measures for workers. As Andrew Cumbers explains, 'The Norwegian case…illustrates the importance of developing democratic and participatory governance structures around state-owned corporations'. <sup>90</sup>

#### CASE STUDY: Wind power in Denmark91

In Denmark, the government has encouraged local, decentralised wind power on a huge scale, through funding and support for local, collective ownership of turbines. The Danish Wind Turbine Owners Association is a democratically elected membership association set up to represent these small scale, private and cooperative owners. The organisation has around 5000 members and provides a strong, independent voice for local communities on energy policy. This model shows the potential for the state to work closely with communities, and the need for those communities to have independent representation.

## The future of existing regulators and current consumer bodies

The budgets for existing regulators now go to fund Participate which will be a more efficient, effective way of holding public services to account. Regulators were created in a context of privatisation and have totally failed to protect the public from its worst excesses. Water in Paris, Sweden and the Netherlands is in public hands, and there is no regulator. The publicly owned organisations can decide on prices, with input and scrutiny from Participate.

Existing consumer voices like Transport Focus and the Consumer Council for Water can either be democratised and become part of Participate, or they can be abolished. Citizens Advice is the consumer voice for energy and post, so the same conclusion applies to that section of its work – but more broadly Citizens Advice should be involved in the new governance structures as one of the civil society groups to call on.

If Participate expands beyond public transport, water, energy and Royal Mail to encompass more public services, the same logic should apply. If consumer bodies are working well, democratise them to make them work even better. If they have useful expertise to offer, they can sit as civil society organisations within the new governance structures.

### Civil society

You might be in a social or environmental NGO or a local community group, initiative or cooperative – all of these are part of civil society.

Civil society helps to represent specific communities, the broader, longer term public interest – environmental, social and economic – and they might even represent different non-user communities or future generations.

"It is clear to me that we need both: state provision and the revival of community. In fact, it is hard to see how we can sustain the former – or, for that matter, any redistributive or protective project – without the latter." George Monbiot, environmentalist and author<sup>92</sup>

Both the publicly owned companies and Participate have a remit to engage with civil society and community groups at local, regional and national levels as appropriate. The publicly owned company actively encourages new community initiatives and organisations have strong rights to raise issues.

Communities will be much more involved in public services than ever before. Community groups at the local level work hand in hand with the new publicly owned companies to **develop and use common resources or public spaces**.

For example communities might develop new renewable energy projects which need to link up to the grid. Or communities might want to use public spaces created by public services, for example, adding a community centre or a crèche to a local post office, or taking care of a railway station or a bus stop. The Labour Party is looking at creating a new publicly owned Post Bank which would be run through the local post office network.<sup>93</sup>

'Public-Common partnerships' can be developed – this means councils create shared institutions with cooperatives or community interest companies to manage common resources in a democratic way. In Wolfhagen in Germany, the town's energy utility is jointly owned by the municipality and a new cooperative.<sup>94</sup>

## CASE STUDY: Barking and Dagenham 'Every One Every Day'95

Every One Every Day describes itself as a 'network of 100s of people living in Barking and Dagenham who are working together on different neighbourhood projects around the borough to make everyday life better for everyone'. Supported financially by the Mayor of London, Barking and Dagenham Borough Council, and others, the project encourages local people to 'pop in for a cup of tea' to discuss ideas for activities, collaborative business ideas, and skill sharing. People have been involved in everything from beekeeping to learning to code, DIY skills to storytelling.

#### Civil society/community groups by sector:

#### **Public transport**

- Rail user and transport user groups
- · Bus and tram users
- · Cycling campaigns
- · Pedestrian/walker campaigns
- Environmental NGOs
- Disability groups
- · Older people's groups
- · Students/young people's groups
- Parents groups

#### Water

- · Canal and riverside trusts
- Boaters
- · Renters unions
- NGOs and charities fighting against water poverty
- · Environmental groups and NGOs
- · Agricultural groups/small farm owners

#### **Energy**

- Environmental NGOs
- Local community groups, families and schools which are developing renewable energy
- · Fuel poverty groups
- · Renters unions

#### Royal Mail + Post Office

- Full-time workers and public transport users who may struggle to collect post
- · Disability groups
- · Older people's groups
- Small businesses who use Royal Mail for delivery services











# Sunshine regulation trade associations

The new publicly owned companies work together to make sure they're providing the best possible service. They share their data with each other and with you.

A new network of publicly owned companies will work together, making their data available to the public, comparing performance and learning from each other. The existing successful publicly owned companies can set up this network and share their knowledge and best practice. They'll be our transition team as we head into public ownership.

The sunshine regulation trade associations work together with Participate and the Office of Public Ownership to look at data, surveys and innovations to suggest improvements across an entire service.

#### CASE STUDY: Dutch sunshine regulation%

Dutch water providers are owned by provincial and municipal governments, which in turn are elected by the citizens. Sunshine regulation is a form of incentive regulation and was implemented in the Netherlands in 1997. The water providers share their performance results in a transparent benchmarking exercise, which leads to public pressure on the worst providers and praise for the best. The Dutch media heavily report on the results. Research shows this has succeeded in keeping productivity high and prices affordable. The companies set targets each year and share best practice with each other.

### The Office of Public Ownership

The Office of Public Ownership has a mission to make the UK a model for wildly successful public ownership after our disastrous failed experiment of privatisation.

Public ownership needs to be recognised as a crucial government priority. The new Office of Public Ownership sends a clear signal about its importance – like the National Infrastructure Commission or the Committee on Climate Change – and prepares for the scale of the challenge.

It is well resourced and close to government, sitting in the Treasury or the Cabinet Office, so it can develop policy priorities and make them happen.

This unit makes sure **publicly owned organisations are as efficient and effective as possible**. This means

- Understanding and sharing best practice from the UK and beyond business techniques, processes, new developments – with the new publicly owned companies
- Working with the sunshine regulation trade associations to challenge public services to be better.
- · Incentivising great public services.
- Challenging and supporting poor performers, understanding why failure occurs.
- Making sure the public sector has the know-how it needs to avoid depending on the private sector for technology or data

The Office of Public Ownership also creates a long term vision and plan for what the state can deliver for society. This should be done in tandem with the public planning processes organised together with Participate. Government's role is to be challenging and innovative in thinking about how we can improve public ownership and extend its remit as an 'entrepreneurial state'.<sup>97</sup>

# Who holds the decision makers accountable? You do!

# ij

#### Find out what's going on - because all data is available

The publicly owned companies have a duty to disclose information and Participate has a duty to make it readily available and accessible to you. "Commercial confidentiality" is a thing of the past when it comes to public services.

Full transparency means all data is available to the public. Minutes are available, meetings are livestreamed and online. You can easily access all relevant documents about your public services – as in Denmark where all documents can be accessed – and real time information about works and improvements being made.

#### **CASE STUDY: Transport for London**

Transport for London has a public mission to 'promote and encourage safe, integrated, efficient and economic transport facilities to, from and within London.' Its Transparency Strategy means better decision making and better value for money.<sup>98</sup> A range of data is published including contracts, expenditure, reliability, customer satisfaction, journey data, financial performance, funding information, organisational charts, pay ratios, gender and ethnicity pay gaps and contracts over £5000.

TfL works on building affordable homes on land next to stations; as an employer it's improving diversity, reducing the gender pay gap; supporting workers with disabilities and has set a minimum wage for bus drivers. The TfL board is 60% female and 20% black and ethnic minority. All meeting dates and times are published publicly on TFL's website and held in public. Board meetings are also recorded and publicly livestreamed online. The public can contact board members directly.

#### Attend a pre-meeting or a board meeting

You can attend all monthly board meetings and sub-committee meetings because they are held in public, in different towns and cities across the relevant area. For example, the new, publicly owned Thames Water might hold its board meeting in Swindon one month and in Oxford the next.

Participate reps attend board meetings – their role is also to enable useful public participation in these meetings. This might mean organising premeetings with the public to get your views beforehand – so that people's concerns can be prioritised, summarised and taken to board meetings in an efficient way.

#### **Vote in Participate elections**

You can vote or stand as a representative in Participate elections for the national supervisory board, the ombudsman for your region and reps for every public service that is relevant to you.



You can register quickly and simply by recording your name and address or existing electoral register number with Participate. You can vote in relevant elections online, by post or in person at board meetings where hustings will be held.

The experience with Police and Crime Commissioners shows us that direct voting can be powerful. And Participate will work hard to spread the word about elections and make it easy for you to be involved as much as you want to be.

#### Talk to your rep - or become one!

Your perspective as someone who uses public services needs to be part of decision making. Your doctor knows what to prescribe – but you know your own experience of getting a GP appointment. The train driver knows how to drive trains – but you know how annoying it is to miss your connection because of a late train!



Your Participate reps are your voice in publicly owned services. They sit on boards in every sector, at local, regional and national level, to give your perspective. They are elected by you and paid for their time and expenses.

Participate will provide thorough training on the relevant sector and its technical issues, so that reps have all the information they need to stand up for you.

#### CASE STUDY: Scottish Water customer forum<sup>100</sup>

Scottish Water has created an effective 'customer forum' of 10 people to enable a public viewpoint on water. The customer forum sits between Scottish Water, the regulator WIC and Citizens Advice Scotland and gives the public or user perspective. The water industry is complicated, so these representatives are thoroughly trained up on how it works. This means they understand it enough to be able to give meaningful input.

#### Go to the shopfront on your high street

You can visit a public services shopfront on your high street where you can

- Find out about any of your public services
- Pay your bills
- Make a query, raise specific or general issues
- Give feedback: compliments, complaints, problems and proposals
- · Join in with Participate surgeries when reps come to visit



- Set up or join in with other local community meetings about public services
- Enjoy being in the community space which could also have a cafe and a creche if local people are keen

Shopfronts are staffed by local authority employees or public service employees. This is part of the training involved before working in public services – as it involves learning about a whole range of public services. Employees need to be able to listen, understand, fix the problem and follow up on a whole range of issues.

Currently many people are employed in call centres, especially in complicated 'markets' like the energy market where the public has to navigate endless options for switching. Public ownership would free up resources for more satisfying work helping the public.

#### **CASE STUDY: Lothian public transport**

Lothian Buses is the UK's largest municipal bus company, owned by the City of Edinburgh, East Lothian, Mid Lothian and West Lothian councils. This award winning company has been based in the city for almost 100 years. Their buses are among the most environmentally-friendly in the UK and some are zero-emission electric. Edinburgh Tram is an arms length company also owned by Edinburgh City Council. Transport for Edinburgh worked with the bus and tram companies to set up a travel shop outside Edinburgh Waverley station. This makes it easy for residents and visitors to find out about public transport in the city. Ticketing is shared so that journeys are affordable and integrated.



## Give your feedback! Put forward problems and proposals, complaints and compliments

You can give feedback online, on the phone or at a shopfront. Participate wants to hear your compliments as well as complaints, and it will encourage you to put forward any problems you've noticed, and proposals for making things better.

Complaints should be used to prompt improvements. Participate will enable members to vote for a 'super complaint' if things go really wrong with a public service – and then force action from government.<sup>101</sup>

Encouraging compliments is just as important as dealing with complaints. Compliments help to create a culture where we really value public services and the people who work in them.

Reading Buses already makes the most of complaints and compliments, feeding them back to drivers and each month awarding one driver as 'star of the month' – and having a 'star of the year' too.<sup>102</sup>

"We get very positive comments from tenants. We are governed by the Scottish Public Service Ombudsman and every six months, we need to report how many complaints we get. We have turned that on its head and also collated compliments – emails, letters and cards. In the last recorded six month period, we had seven complaints and 20 compliments."

Paul Farrell, Chief Executive of West Whitlawburn Housing Co-op<sup>103</sup>

We also need to create opportunities for public service users to give constructive feedback. For example, if you have a bad experience in a hospital, you would be able to log this as a problem and to suggest your solution, if you have one. When it comes to public services, most of us don't just want to complain as individuals or get 'compensation. We want to fix the root problem and make sure services are improved for everyone as a result.

#### Help plan for the long term

Every year, you can attend regional and national annual forums where the publicly owned company updates the public on its progress and hears from reps and users. These forums will involve all of the key organisations – Participate, the trade unions, the sunshine regulation trade associations and government (local, regional or national depending on the service).

You can also be part of longer term planning. Every five years, there will be a national meeting to discover what the public wants in each sector, to think about strategic direction, long term plans and the implications of new technology. This will be a major public event. The aim is to maximise the number of people involved and enable everyone to participate in a meaningful way. Large scale voting happens online during the meetings.

For difficult or controversial issues, Participate will organise citizens assemblies with a representative selection of the population to explore solutions.

In Kerala where people's planning is highly valued, local reps attend a 2–3 week residential training course in participatory planning, so that they understand how to make the process work well. This could be a good model for us to learn from.

#### **CASE STUDY: People's planning in Kerala**

In 1996, the state government of Kerala in India devolved between 35–40% of their plan budget for development projects initiated by local governments at the village, block and district levels.<sup>104</sup> The people's planning process consisted of multiple phases to understand local needs, develop solutions, prepare projects and agree budgets to go ahead.<sup>105</sup> The initiative, called the Kerala People's Plan Campaign included more than two million citizens in state, district and village level meetings that determined the use of funds.

# CASE STUDY: 'One of the most radical alternative plans ever drawn up by workers for their company' 106

The 'Lucas Plan' was a bold, forward-looking proposal developed in 1976 by unions representing workers at Lucas Aerospace, a large military construction company. The workers put forward a plan to produce new socially useful products instead of military equipment. They wanted to develop hybrid engines, heat pumps, solar heat pumps, solar cell technology, wind turbines and fuel cell technology, plus medical equipment like kidney dialysis machines. They 'regarded it was scandalous that people could be dying for the want of a kidney machine when those who could be producing them are facing the prospect of redundancy'. Unfortunately, managers rejected the proposals, and the company eventually went out of business – while many of the products put forward by the workers are now mainstream.<sup>107</sup>



#### Get involved in budgeting

Participate helps you to input into financial decision making for each public service, if you want to. You can be part of decision making about the entire budget by attending or feeding in to official board meetings and planning meetings.

Alongside this, you can help to make decisions about spending directly in a community led process to decide how a proportion of the overall budget (say 5% or 10%) for a public service is spent. The Participatory Budgeting Project finds that participatory budgeting encourages people to ask questions, connect with others in their community and start to engage more with official democratic processes.<sup>108</sup>

#### CASE STUDY: Participatory budgeting in Brazil<sup>109</sup>

Porto Alegre in Brazil was the first city to embrace participatory budgeting. In 1989, the local government introduced a process by which the city's residents were able to control a portion of the local government budget. Within less than a decade, 40,000 people were involved in the budgeting process of Porto Alegre, apportioning around half of the city's budget. Investment in public services also significantly increased over the period: health and education budgets rose from 13% to 40%, the number of schools quadrupled, and the number of sewer and water connections rose from 75% to 98%.

#### Suggest ideas and vote for your favourites online

You can put forward your ideas, proposals, thoughts and feedback through Participate. You can go to the online democratic forum on its website to submit ideas, make comments and vote on policy proposals and priorities for the company. These will feed into existing democratic public meetings through a clear process.

The Participate website will have one main website but this will divide by sector and region as needed so you can vote on changes and ideas for your area.

#### CASE STUDY: Decidim Barcelona<sup>110</sup>

Decidim is coordinated by Barcelona City Council. It is an online, open source platform through which the public are able to participate directly in government decisions. The platform allows members of the public to suggest ideas, debate them and vote on them digitally. Launched in 2016, by 2017 Barcelona City Council claimed to have received input from nearly 40,000 people and 1,500 organisations through the platform and public events. They also claimed that 70% of proposals within the council's agenda have come directly from the public.

#### **CASE STUDY: Iceland - Citizen's Foundation**

In Reykjavik in Iceland, an online participatory social network called "Your Priorities" launched in 2010.<sup>111</sup> This is a digital democracy platform where members of the public can propose changes to their city. Citizens post their ideas and debate with local government. Ideas are voted up or down by everyone. The top 10–15 priorities are voted on by the city council every month. 70,000 out of a population of 120,000 have participated at some stage. 1 in 3 ideas accepted since 2011 (1000 out of 3000 posted). Policies implemented from the platform include increasing financial support for Reykjavik's homeless and converting a former power station into a youth centre.<sup>112</sup>

#### Make your ideas happen for improving public services

If you've got an idea about how to improve public services, you can join together with workers and/or apply for funding to make it happen!

Both public service users and workers have great ideas about how to improve public services. Co-production is 'simply the recognition that services can and are modernised and reformed every day through the interaction of staff and users'. 113 It leads to more efficient, responsive services.

To encourage a culture of experimentation, we suggest at least 5% of public service funding would be dedicated to a creativity fund for public services. This makes money – and therefore time and capacity – available to workers, users and community groups who have ideas for improving their public services.

You apply to the Office of Public Ownership to access this funding – and they share the best practice and learnings from your initiative.

"In many diverse locations, grassroots trade union and community alliances have been a driving force in democratising public services or utilities in the face of privatisation...a means of sharing knowledge and building transformative power, both to defend public services and to democratise and improve the quality of public services." Hilary Wainwright<sup>114</sup>

## CASE STUDY: 'Public service reform – but not as we know it!'115

Between 2000 and 2002, Newcastle city council workers organised with their UNISON branch to resist the privatisation of the council's 'back-office' IT and customer service. By using the expertise of workers at all levels and across all the services that the council provides, they put together an 'in-house' bid that far outshone the private sector offer to take over services. The new City Service is a model for other city councils to follow, and has delivered millions in savings and drastically improved customer service and satisfaction with the council.



#### Vote against any proposals to privatise!

The law will be changed so that no public service can be privatised or outsourced without a public vote in support. Decision makers need your consent if they want to privatise the commons.

In many countries, organisations can demand public votes on specific issues. There are lots of examples of these laws being used to stop privatisation – as large majorities consistently vote in favour of public ownership.

In the last 20 years, popular campaigns have stopped or reversed privatisation in many towns and cities across Europe.

- In the Netherlands in 2002, people voted against the privatisation of the city's transport company.<sup>116</sup>
- In Slovenia in 2003, people voted decisively against the privatisation of the state railway and the telecommunications industry.<sup>117</sup>
- In Hungary in 2004, 65% of voters rejected privatisation of hospitals.<sup>118</sup>
- In 2013, the citizens of Hamburg voted to reverse the privatisation of the city's electricity, gas and heating networks.<sup>119</sup>
- As of April 2019, there is a campaign in France for a national public vote to stop President Macron's plan to privatise the airports of Paris, after a similar successful campaign in Nice.<sup>120</sup>

Ultimately, it would be ideal to make privatisation illegal as they've done with water in the Netherlands and Uruguay.<sup>121</sup>

#### CASE STUDY: Water in New Orleans<sup>122</sup>

In 2002 a proposal for a 20 year water privatisation contract was defeated by a community coalition including churches, civic groups, senior organizations and environmental groups. They won overwhelming support from voters for a new city law that gave people the power to approve or reject privatisation contracts over \$5 million. The private water companies immediately left town – they knew they would never win.

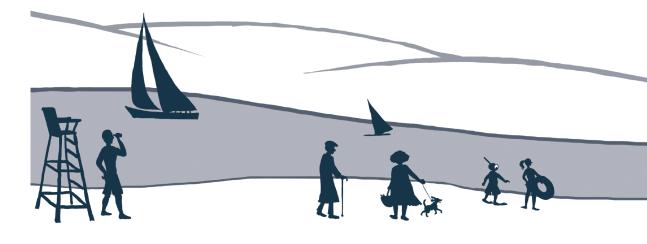
#### **CASE STUDY: Water in Italy**

In June 2011, 95% of Italians voted to reject Berlusconi's plans to privatise water across the whole country. The result was a resounding victory for the Italian Forum of Water Movements – a coalition of 586 grassroots organisations. Over 1 million people signed the petition requesting a public vote and 200,000 people demonstrated in support of the campaign. More than 27 million Italian citizens voted in the public vote, representing over 54% of those entitled to vote.

### Conclusion

In the 21st century, we need to **put the public into public ownership** – both to make sure it's wildly successful and to make it hard for any future government to dismantle. In this report we've suggested some ways to do that:

- A public mission and a range of 21st century duties for publicly owned organisations to deliver for the public interest in terms of environment, society and the economy
- Putting public service users, civil society and workers at the heart of the governance structures in new publicly owned organisations
- Creating a new, independent, democratically accountable
   organisation 'Participate' with statutory powers to hold publicly
   owned companies to account as a strong institution outside
   government it could help stand in the way of any future privatisations
- Developing a much more participatory culture where you can be involved in public services in whatever way, time and place suits you best – and you know that your perspective can really be heard
- New checks, balances and accountability mechanisms to give the public more power – like transparency of data and public votes before any outsourcing or privatisation
- Embedding public ownership and participation at the local level so that it's part of our lives and there are powers, funding and accountability close to home
- Connecting up public ownership with community projects, spaces and priorities



We've put forward some principles here behind public ownership and set out a vision for what it could look like. Making this feel real is part of making it happen.

#### You can help:

- Take this report to your local political party / community group / trade union branch and ask them to discuss it. If applicable, please pass a motion in support of the ideas in this report!
- · Talk to your family and friends about the ideas in this report
- Write a letter to your newspaper saying what you think and how this model could work in your area
- Share the report online to spread the word if you're on twitter, follow
   @We\_OwnIt and use the hashtag #WhenWeOwnIt
- Tell us what you think whether individually or after discussing this in a group. We'd love to hear your compliments, complaints, problems and proposals!
- Follow us if you don't already and sign up for updates to help make public ownership happen – weownit.org.uk/

Public services never belonged to private companies, investors and regulators in the first place.

You use public services. You pay for them. You rely on them. Maybe you work in them. You built them. You should own them.

After decades of failed privatisation, it's time for 21st century public ownership.



# Appendix: What about investment?

#### Public ownership isn't a panacea. Public services need investment.

Some people reject the idea of public ownership now because of the underfunding of British Rail before privatisation, and the political choices that led to local water authorities being starved of funding in the 1980s. What's our response to this?

#### **Governments do in fact invest**

The reality is, governments can and do invest. Private companies have in fact invested very little of their own money in renewable energy, or wastewater treatment, or fibre-optic cable – the impetus has all come from political demands.

Across Europe, public rail, water and energy companies have been making constant investments in new services – for example, the case of Munich in energy – and in London TfL has been making good, ambitious investment decisions for many years, including the Oyster ticketing system, the Overground and DLR as well as Crossrail. Even the current UK government is investing on a large scale in energy – formerly through feed-in tariffs for renewables, and in nuclear power at Hinckley Point – and in rail, with Crossrail and HS2, and in water, with public loans for a new sewer in the Thames.

Many technological and infrastructural innovations have come from government investment. The economist Mariana Mazzucato has shown that the state is responsible, through its smart and bold investment, for some of the most exciting technological developments in recent decades, from smartphones to the space race – although the private sector almost always takes the credit (in both senses).<sup>124</sup>

The public sector can invest more cheaply than the private sector because it can borrow more cheaply, thanks to the backing of government and ourselves.

#### Publicly owned companies must be allowed to borrow

It's true that the Thatcher government didn't want the water companies or British Rail to borrow money for investment. They regarded this as government borrowing, which they were desperate to cut back. But we need a new rule – that money can be borrowed for investment. Then companies can decide to raise money for investment as long as their income will support it. This means public water, transport and energy companies can take their own strategic decisions to achieve their public service objectives. This is how the EU treats investment by public companies.

Public services differ in the way they are financed. Some can be financed almost entirely by the income they receive from charging the public – they don't have to rely on government funding from taxation. The water industry,

for example, is fully funded by our bills, which cover not only operating expenditure but also all the costs of investments. All the borrowing by the current private companies has gone almost exclusively towards paying shareholder dividends.<sup>125</sup>

So a public water authority with statutory duties to provide clean water and treat sewage has a clear public service incentive to make long-term investments and keep the company running at break-even, or a surplus, and the financial capacity to do so.

This already happens in Scotland, where people pay for their water through their council tax bill, but this part of the bill is kept separate and reserved only for Scottish Water. It's enough for them to make short and long term decisions about investments and run a self-financing public service. Scottish Water is now investing more per head than any of the English companies, and with much lower bills.<sup>126</sup>

#### We need proper, long term funding for public services

For services that make no money themselves, and exist purely for the good of society, like the NHS and education, their funding will have to come from the Treasury budget. Their funding will depend to an extent on the political priorities of the government of the day – just like they do now. And those priorities depend on who we elect and how much control we have over our public services.

This is also the case for services which have some revenue, but not enough to cover the cost of providing the service to everyone, like our railway – their funding will have to be supplemented by the Treasury as well.

There are two ways to deal with this.

Firstly, we can have legislation that recognises the need for long term funding from government. Railway privatisation legislation put an obligation on the Transport Secretary to provide the private railway with a multi-year funding settlement.<sup>127</sup> Even though it doesn't say anything about how large the settlement should be, this has given the privatised railway a security of finance. British Rail never benefited from such settlements. Similar guarantees could and should be put in place as part of legislation for the future publicly owned companies.

Secondly, more generally, we must fund public services properly. Public ownership is not a panacea and public services will not work well without adequate funding, whoever owns and runs them. Austerity has created terrible conditions for our public services.

The UK's public spending is about 41% of our GDP – much lower than the average for similar European countries, which is 48.9%. When compared to these countries, the UK ranks lowest for inequality, and one of the lowest for poverty and child poverty rates.<sup>128</sup>

Public services are the backbone of strong societies across the world. 129 It's time to recognise the short and long term value of investing in them.

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