

## **Chapter 1**

### **Creating a happier society**

What are we rewarding? At a time of continuing economic and financial crisis in the world, and social unease and unrest in the UK, we should be asking this question above all else.

To see why, we can take two examples: the banking crisis that brought Western economies to the brink of chaos in 2008 and is still with us; and the phone hacking scandal at News International, which not only revealed the grubby depths to which newspapers sank to get so-called exclusives, but also the questionable relationship between certain members of the Metropolitan Police and those newspapers breaking the law.

In both cases, actions were not being taken by crazy mavericks or rogue elements (despite what the public was first told). The bankers, traders and journalists did what they did because they were rewarded for it. It was only as the facts emerged that it became apparent that people were being rewarded – and very generously – for actions that were reckless, often illegal, and altogether inimical to a just and decent society.

These are two examples of how rewarding the wrong actions is hugely damaging. So when we look around at the things that are wrong in society, we need to ask: what are we rewarding that is creating this situation? Only then will we start to find answers to the problems.

In the UK, as in most of Western Europe, we devote a lot of money to what could be broadly described as “creating a just and decent society”: in other words, we put public money into health, education, police and the justice system, and in general there is public support for this. The UK spends around £700 billion a year in public expenditure – which represents around 41% of the country’s GDP. Nearly a third of this – a staggering £200bn – is soaked up by the welfare benefits system alone.

The current cutbacks mean that between 2010 and 2015 there will be an £80bn reduction in public expenditure. Nevertheless, by 2014 the UK will still be spending amongst the highest proportions of GDP on public expenditure in Western Europe.

Given the vast sums involved, to which we make a direct contribution as taxpayers, we are surely entitled to expect positive improvements in our society. Are we getting the just and decent society we want? If not, why not?

## **The war on waste**

“Government declares war on waste in public sector.” These were the headlines when Chancellor George Osborne revealed his spending review in October 2010. He declared that £6bn of wasteful spending would be cut from government departments, while local authorities were to make “efficiency savings” to cover the deep cuts in their funding.

The trouble is, every British government of the past 30 years has pledged to eliminate waste, improve productivity in the public sector and create a healthier, better educated, happy, safe society – yet somehow the problems remain. In 1983 Margaret Thatcher’s government set up the Audit Commission precisely to check on local authorities (and later health authorities) to ensure they got value for money from their spending; in 2010 the government decided the Audit Commission itself was a waste of money and announced its abolition.

No-one seriously claims our public services are models of efficiency, least of all the people who use them (nor, probably, the people who work in them). So why doesn’t the search for waste ever produce any real and lasting savings? The assumption seems to be that ‘improving efficiency’ is a worthwhile and painless way to save money, as if councils and government departments were employing expensive teams of paper-clip counters, whose jobs can be cut and large amounts of money saved, without the authorities having to sack, say, social workers or police officers. Yet somehow the paper-clip counters are never found, and frontline workers do lose their jobs.

By February 2012, 42,000 workers had already left local government, in a mixture of compulsory and voluntary redundancies. Local authorities needed to make these staff savings in order to balance their budgets, and ultimately the reduction in personnel will have to go much further. The Local Government Association estimates about 140,000 jobs in all will be lost in councils as a result of the cuts.

Does that mean councils will be less wasteful and deliver better value for money? Not necessarily. No doubt some services will have been overstaffed and needed to be slimmed down, but inevitably many of those leaving local authorities will be people delivering front line services to the public, and the public will feel the diminution in service. You also have to ask whether a demoralised workforce, fearing redundancy, is best placed to deliver greater productivity.

As part of the war on waste, in October 2010 the coalition government announced a “bonfire of the quangos” to get rid of unnecessary bureaucracy. But after a few months of supposed reorganisation of nearly 200 non-elected public bodies, MPs on the Commons public administration select committee said the whole process was so badly thought-through that the reorganisation would probably cost more than it would save!

I believe we are going about things the wrong way. Getting value for money out of our public spending is not about job cutting and reorganisation. It is no good looking at a public sector job simply as a “cost”. We should be asking whether or not that job contributes towards a better

society, or detracts from it. It is all about the attitudes, states of mind and feelings of the people doing those jobs. The best way to prevent waste and create value for money is to ensure that people have a sense of pride and purpose in what they do – attributes which engender high commitment and positive behaviour.

If we want to eliminate waste and negativity, we have to look at things differently. “Energy and persistence conquer all things,” Benjamin Franklin said. We have to ask some important questions, such as, why do we have more social workers than bricklayers? (There were 100,882 registered social workers in England alone in 2010, compared with around 82,470 bricklayers in the UK).

I’m not decrying social workers: I’m saying that what really costs this country money is dysfunctional families – and producing dysfunctional families and teenage pregnancies are two of the few areas in which the UK is a world leader. *Preventing* these societal problems has to be the goal, not rehabilitation or taking enforcement action against them.

A huge source of waste in the public sector is absenteeism. The 2010 CBI survey of absence in the workplace showed the continuing difference between the public and private sectors: the average public sector employee took 12 days off sick in a year, compared with the private sector worker who took six days.

Can anything be done to change that? Suppose people are genuinely ill? They can’t all be malingerers. No, but there’s a good chance that most of them are not very motivated in their job and that they work in a culture where a high rate of absence is accepted as the norm. Absenteeism is more contagious than flu, swiftly creating a sickness sub-culture in vulnerable organisations. But does not occur when people are highly motivated and committed to what they do.

Currently, more than 600 Greater Manchester police officers (7% of all bobbies on the beat) are on what are described as “restrictive or recuperative duties”. Responding to these figures, Graham Stringer, former Leader of Manchester Council and a local MP, said: “Whilst sympathetic to police injured in the course of their duties the sheer scale of these numbers indicates that some people are taking the mickey. I just don’t believe that all these officers cannot do their jobs because of injury.”

The Chief Constable of Greater Manchester Police, Peter Fahey, admitted that the sheer numbers on light duties was difficult to defend and that it caused resentment amongst colleagues performing full duties. His suggestion was that those on full duties should get a pay enhancement. Right on Peter!

Absenteeism can be reduced, if you take the right approach to motivating people: we’ve done it in our organisation. I believe we now have a world record low sickness levels, at only 0.4%. The CBI calculated that if public sector absenteeism rates could be brought down to the private

sector average, around £5.5bn could be saved over the next five years. If such rates came down to my organisation's level then annual savings of £17.4 bn would be generated.

What about the amount government and local government spend on chasing unpaid taxes? In a sense this is not money 'wasted,' because every pound recovered boosts the public coffers, yet think how much fatter the coffers would be if people paid in the first place. There is the huge level of (apparently legal) tax avoidance by corporations and rich individuals. People used to say, "I pay my taxes" with a certain amount of pride, showing that they made a contribution to society and had the right to a say in how society is run. Now it seems that attitude is treated with derision. If people at the bottom and the top end of society consider that paying tax is 'just for mugs,' where does that leave the people in the middle?

### **Changing behaviour**

These issues are all about attitudes, values and behaviour. We certainly are wasting money in Britain, at a time when we can ill afford it, because of the kinds of behaviour that pervade society. Compared with 50 years ago, we are a wealthier society, even during a recession, but we are also an impolite society in which there is more dishonesty, idleness and lack of thought for others. This is an urgent social issue as well as a moral one: these problems are actually costing us money, as well as reducing the quality of life for everyone.

Life in Britain has changed in a relatively short timescale. Behaviours are now tolerated and accepted as normal, which were unthinkable and unacceptable only 15, even five, years ago. Unchecked downward spirals produce terrifying behaviours and norms. The latest form of street robbery is testimony to this. Robbers have realised that being caught in possession of a gun will get them a straight prison sentence; possessing a knife is not as clear-cut but nevertheless likely to lead to a custodial sentence. However, threatening someone with a hypodermic filled with tomato ketchup and pretending it's HIV positive blood instils mortal terror in the victim and enables the perpetrator, if caught, to walk away scot free. How? The script goes like this: "I carry a hypodermic with me because I am a recovering heroin addict on methadone and I like tomato ketchup with my chips!"

Yet behaviours can change, in a positive as well as a negative way. Compared to the 1970s, we see a lot more drunkenness on the high street in the evening, but people no longer think it's cool to drink and drive, while "gay bashing" is no longer seen as acceptable.

To really make a difference to life in Britain, we have to change our culture and behaviours. Psychologists know that behaviour is fuelled by values and beliefs and to improve behaviour we must influence what people believe and value, in a positive way. I'm not talking about re-programming people or the psychological saturation propagated by Antonio Gramsci in his work on ideological hegemony. It is simply a question of rewarding, promoting and encouraging the

types of behaviours which we know build positive relationships, strong communities and societies.

The very idea of changing behaviour is bound to raise objections. It sounds hopelessly idealistic, or perhaps old-fashioned and moralising. Some people will regard it as unwarranted social engineering. Some will say it is paternalistic and interfering, proffering that an individual's behaviour is their own business.

I strongly disagree. Every person's behaviour affects innumerable people around them and has consequences for their community. Certainly, every person's behaviour affects what I would call their neighbourhood – be it residential, workplace, town centre, personal space, Facebook, Twitter and so on.

Lecturing and moralising does little. There are more effective ways to change behaviour for the better, using what is known about the psychology of human behaviour, together with what has been learned by experience. These principles should be used in an intelligent way in the public realm, in order to build a positive society.

Changing the way individuals behave may seem like an impossible task. But changing the way public bodies behave ought to be within our grasp, and the two are interlinked. The policies and rules governing public services, the way those services are delivered, the way our public spaces look and function – all affect behaviour, for good or bad (often for bad). If people's behaviour costs society money and erodes the quality of public life, then society should carefully examine how its decisions affect behaviour. The welfare benefits system is perhaps the prime example here.

I would argue this is common sense. It is achievable and I can point to specific changes my organisation has brought about in some of the most troubled areas of urban Britain. Equally my experiences of working with people throughout Europe, America and China give me confidence that things can improve, through clever and enjoyable approaches to changing people's behaviours.

We need to tackle these issues immediately; they are not an irrelevance. British society has been slipping down a long slope for decades. There is no official way of measuring the robustness of a society but we all know when things are wrong. Look at what has increased, even just over the past 20 years: anti-social behaviour, fear of crime, divorce, depression, personal debt, teenage pregnancy, drug taking, obesity, domestic violence and street robbery. A survey carried out by The Young Foundation found that in the 1950s, a majority of people (60%) thought other people could be trusted. By the early 1980s, the figure was down to 44% and now it's 29% and falling. This is not a sign of a thriving society.

The reaction of politicians to statistics of decline is to look for someone to blame. Governments habitually blame the previous government, whose wrongheaded policies are deemed to be

responsible for the mess we're in. They then promise to implement policies that will sort it all out.

The public at large are probably vague about individual government policies but they have an idea about the trends and developments in society that are to blame. The list of popular scapegoats is long but includes: the police (not enough bobbies on the beat); the education system (exams are too easy); immigration (anybody can come over here and get a council house); the welfare state (too cushy for the work-shy and for single mothers); drugs; guns; computer games; feminism (held responsible for the permissive society); women going out to work (neglecting their families); women not going out to work (living on benefits); lax parenting (allowing anti-social teenagers to roam the streets)... The list could go on and on.

### **The law of unintended consequences**

I am not a politician but it seems clear that successive governments, of all colours, over the years have been unable to stop the deterioration in many aspects of society. However, this is usually not for lack of trying. No-one draws up a policy designed to create a worse society; most of the policies that have gone wrong over the years were set out with the best of intentions. The law of unintended consequences generates many of the problems we grapple with.

Take the example of high rise blocks, with which I'm all too familiar, having lived in two in Salford.

Le Corbusier's vision of high density streets in the sky, surrounded by good quality open spaces fostering social interaction and strong communities, was a fine concept. Sadly, it was a million miles away from the monstrosities actually created in the 1960s. The need was real: there had never been enough decent, affordable housing in Britain and after the war the situation had become desperate. In response to this demand, cost effective, system-built high rise blocks shot up all over the UK. These residential edifices became sources of civic virility: in Glasgow Red Road Flats were trumpeted by the council as the highest tower blocks in the UK. Shortly after people moved in, it rapidly became one of the most difficult places to live in

Very quickly tower blocks became synonymous with crime, alienation, 'high rise blues', vandalism, urine-fouled lifts and poor communal facilities, all of which combined to bring high rise living into disrepute in the UK. This was not necessarily so in Europe and the USA... one person's dysfunctional nightmare is another person's Trump Tower! In locations where apartments were well built and (most importantly) well maintained, high rise living was desirable – similar buildings, similar concepts but radically different outcomes.

Planners and architects ignored the seminal works of people like Jane Jacob who urged the need for "eyes on the street" to encourage personal informal surveillance by residents to avoid creating crime havens. Academics studied what had gone wrong, though the people living in tower blocks knew very well. A community protest song of the time expresses it exactly:

*A fella from the Corpy straight out of planning school  
Has told us that we've got to get right out of Liverpool  
They're sending us to Kirkby, Skelmersdale and Speke  
Don't wanna go from all I know in Back Buchanan Street."*

*"I'll miss the foghorns on the river and me Da will miss the Docks  
And me Ma will miss the wash-house where she washed me Granddad's socks  
There's lots of other little things like putting out the cat  
'Cos there's no back door on the 14<sup>th</sup> floor of a Corporation flat.*

The Ronan Point disaster in 1968 was the last nail in the tower block's coffin. When a gas explosion caused a corner of this east London tower block to collapse, killing four people, system building was shown to be unsafe and few high rise blocks were built after that. But hundreds remained, deteriorating rapidly and building up severe social problems for the communities in them.

Tower blocks were not deliberately designed to be difficult places to live. They were supposed to give people a good standard of housing, from which residents could lead fulfilling lives. In the 1960s and 70s they failed miserably, largely because of bad management, poor maintenance, inappropriate allocation policies, insecurity and anonymity. This left social landlords with the headache of poor quality buildings, housing unhappy people.

Tower blocks are an apt example because, leaving aside the physical condition of the buildings, where they went wrong is that their design failed to take into account people's behaviour and the way people tend to live their lives. Design failure was compounded by management failure, because local authorities and housing associations did not either understand or consider sufficiently how people behave. It's very hard to get to know your neighbours in a tower block – much harder than in a suburban street, where people see each other go in and out of their houses and walk up and down together to the shops or the station. The simple fact of people not knowing each other leads to all sorts of problems, which landlords failed to tackle, or tackled in the wrong way, for example by relying on CCTV.

So the law of unintended consequences created a disastrous situation for the residents of tower blocks. The communities in this housing deteriorated over time, becoming less cohesive, more

insecure, economically worse off; anti-social behaviour and crime flourished in this environment.

### **Barbarians in the kitchen**

But behaviour throughout society has deteriorated over the years. I don't just mean politeness, though that is a factor. Nor am I referring only to the behaviour of some sort of 'underclass.' People rarely say hello, good morning, please, thank you, good night God bless or give up their seats for seniors on buses. Fundamentals such as dishonesty, meanness and lack of thought for others go right the way through society. In poorer parts of our cities the deterioration often goes so far that they become crime hotspots, no-go areas, with difficult to let, difficult to live in (and difficult to get out of) housing.

I witnessed one of the worst examples of barbaric behaviour when I lived in a tower block in Salford on a floor of 30 properties. Only two flats were occupied, one by me and the other by 78 year old Sadie. We were there for 14 months awaiting rehousing, because our 'homes' were being demolished to make way for a Sainsbury's and a retail park.

One morning I noticed that Sadie wasn't around and found out from her daughter that she had passed away. Shortly after the undertakers arrived to take Sadie to the Chapel of Rest, I heard a commotion in her flat. The door was wide open and I smelt bacon being cooked. All of her personal belongings were stacked up by the front door. In the kitchen were two young robbers, who had clearly watched the undertaker take Sadie away and seized the opportunity to burgle her flat before she was barely cold. Unbelievably they were helping themselves to a bacon butty before they stole her lifelong belongings! Needless to say, although I felt like giving them a good hiding, as an upstanding citizen I suggested that they contact their Social Worker, Probation Officer, Youth Offending Officer, Social Inclusion Co-ordinator, Anger Management Coach, Attention Deficit Syndrome Worker, Child Protection Officer, Floating Support Worker, Drugs Counsellor, Anti-Bullying Officer, Solicitor or any other state professional who was doing the job that their parents should be doing.

However, without an understanding of *why* things get so bad, and without an appreciation of what makes people behave in certain ways, any reactive policies, strategies and action plans are doomed to further failure, piling more mistakes on the mistakes of the past.

Conversely, with a good understanding of human motivation, and a willingness to take tough decisions and to see actions through, it is possible to change behaviours. The roughest housing estates, filled with burnt-out cars and boarded-up windows, can be turned into places in which people are queuing up to live. I know – we've done it, and we did it without turfing out residents wholesale but instead changing the attitudes and behaviours of the people who lived there. On these estates, life has improved: people have become more confident and healthy, more children have gone to college and university and overall, the places have stopped slipping downhill and started moving steadily uphill.



It takes time, but this turnaround is possible. We have transformed many areas and many people who might seem to have given up on life. We operate under a maxim of self power, that is, we enable and facilitate the individual to achieve their potential. Importantly, we take the view that anyone and any organisation that can't help with this process should just get out of the way.

### **Rewards and penalties**

What I want to explore in this book is: what are we rewarding? This is the crucial question that gets to the heart of what is wrong with our current society and, more specifically, with our public services. Humans respond, consciously or otherwise, to reward, recognition and respect. This applies to groups and organisations as well as individuals. They do not necessarily respond in a direct and predictable manner. Nevertheless, when people are acting in ways that are undesirable, we should ask: what reward do they get – or what penalties do they avoid – by behaving in that way?

In September 2010 there was outrage in government and the media when a report by Ofsted suggested that schools had been claiming pupils had special needs when they did not, in order to get extra funding for them. The evidence that this was happening wasn't altogether conclusive, though the percentage of children designated 'with special needs' was shown to have risen from 14% in 2003 to 18% in 2010. But even if it were the case that schools were 'playing the system,' why would this be surprising? And was it wrong? Schools are always looking for extra resources for their pupils. When a route to funds opened up, they responded quite rationally and took it, gaining the rewards on offer. By all accounts it worked. Certain pupils' attainments improved when they had the intensive tuition paid for by the extra funds.

It is disingenuous for the authorities to be surprised and outraged by this. It is back to the law of unintended consequences: every policy has effects other than the intended ones. When government comes up with measures to tackle a particular problem, it should always consider how people, or organisations, might respond to the rewards or penalties on offer. It is no good indulging in recrimination afterwards when it turns out the measures had no effect, did not benefit anybody, or did not benefit the people the authorities had in mind, or simply backfired.

A longstanding feature of our welfare system is the cohabitation rule. Put simply, a single mother will have her benefits reduced or removed if it is judged she has a man living with her. The consequences of this are well known and frequently complained about by authorities, policy makers and the general public. When I visit tenants who are lone mothers, I often see men's trainers in the hall and men's jeans drying on the line. Of course they have boyfriends living with them. Why wouldn't they? And of course they are not going to declare that to the Department for Work and Pensions. Why would they? This is not an attack on lone mothers: my paternal Nana became a single parent with four young children on 1<sup>st</sup> June 1940 (five years before the advent of the welfare state) when her husband Thomas Manion Snr was killed on HMS Basilisk during the

Dunkirk evacuation. She successfully brought up her children by working hard and being responsible and she never accepted any state benefits.

Single mothers are sometimes deemed ‘benefit cheats,’ but their behaviour is no different to those high-flying financiers who brought global capitalism to its knees. The women respond to the few pounds a week that is the reward for staying ‘single.’ The financiers too were motivated by personal reward. As former Prime Minister Gordon Brown puts it in his book *Beyond the Crash*, they were driven by “a perverse system of incentives that maximised rather than minimised risks.” To take the example of Lehman Brothers, Brown says, “Executives said openly that they did not want to hear “too much detail” about the risks they might face in case it held them back from making the high-risk deals on which the biggest bonuses depend.”

Lone mothers face a legal system of penalties and fines if they are found to be cheating, whereas the reward structure for financiers remains largely unchanged, despite political pressure put on a few high-profile individuals to renounce their bonuses. As Brown puts it, “Even as taxpayers all around the world were losing out as a result of their recklessness, the bankers continued to claim that the grotesque rewards they enjoyed were essential to the banking sector and the public interest” and so casino capitalism flourishes.

The banker bonus proliferation flies in the face of a proper rewards culture by, at worst, rewarding persistent irresponsible financial behaviour and, at best, rewarding people for simply doing the job they were hired to do in the first place. Action Aid in October 2011 reported the extraordinary lengths that banks like HSBC, Barclays and LloydsTSB go to in order to avoid tax. Action Aid pointed out that our banking sector uses tax havens much more than other UK businesses; the Cayman Islands and Switzerland are particularly popular destinations for HSBC, which has more than 556 subsidiaries in tax havens. Even LloydsTSB, which is controlled by UK tax payers, has 97 companies in the Channel Islands and 203 offshore subsidiaries. It is difficult to imagine what level of financial Armageddon is needed for bankers not to get a bonus or for government to stand up to the banks and make them pay their fair share of taxes. As TUC General Secretary Brendan Barber said: “If the government refuses to challenge these multi-billion pounds rewards for failure, the least tax payers deserve is a bonus tax to help pay for the mess they are creating.”

Perverse rewards are everywhere. One of the major challenges our society faces is tackling the obesity explosion. The NHS estimates that there are over a million people in the UK with medical problems due to obesity – principally strokes, diabetes, coronary disease and cancer. All the signs are that this number will increase. In the US, new crematoria have higher powered jets to replace traditional cremators, in order to burn obese and super obese corpses. After years of supersizing your meal at McDonalds, you can supersize your coffin and grave. American coffins and graves are 15% wider than they were 30 years ago. Some US airlines now ask passengers to declare their weight, to avoid flight problems from having too many obese and super obese

passengers on board. Others charge super obese passengers for two seats (I wonder if they get two meals), because of the amount of space they take up.

In a survey of customers, Ryan Air found that 69% of their passengers felt that obese and super obese passengers should be charged for two seats. So far they've ruled out a 'fat penalty', but only because it would slow down check-in procedures.

Despite this, the UK's welfare benefits system rewards obesity. Obese claimants receive higher benefits for food and clothing because their costs are higher than those of people with an average BMI. I regularly see super obese people training at my gym under the GP referral programme. I can understand the argument about trying to get these people to lose weight and get fit, to reduce the future costs of their healthcare. However, the fee-paying gym users like myself receive no incentive for exercising regularly, not smoking and eating healthily. Why not give people tax breaks for looking after themselves, or subsidise healthy living by imposing heavy taxes on unhealthy food and drinks, as we do on cigarettes?

People who inflict problems on themselves or others – obesity, smoking, alcoholism, vandalism, anti-social behaviour and so on – should not be rewarded for their actions. Moreover, disproportionate amounts of public expenditure should not be spent on people who wilfully and persistently abuse themselves, the system and others.

### **Incentivising the right behaviour**

My point is that rewards are everywhere and we, as a society, should manage them intelligently. I believe that we should develop more and better rewards, rather than running around removing ones we disapprove of. As a society we need to get our priorities right and recognise the value of people's contribution to the positive development of society. At present, we often get the balance wrong. Wayne Rooney is idolised for earning £200,000 a week, while a south London head teacher, who has turned round a failing school in challenging circumstances, is castigated for earning more than £200,000 a year. Education Secretary Michael Gove then pronounces that there should be a cap on heads' salaries so that none earn more than the Prime Minister – as if that were some useful measure of worth. The PM's annual salary is £142,500, but Will Hutton, who led the independent review into fair pay in the public sector, said this figure should not be used as any kind of benchmark. He pointed out that all the PM's benefits – such as use of Chequers, cars, travel, clothing, food and so on – are worth at least £600,000 a year.

Incentivising and encouraging people to behave positively, understand and exceed their potential and enjoy life, whilst fulfilling their responsibilities to others, is the way forward for British society. As Colin Powell, Four Star General, former US Secretary of State, who was awarded two Purple Hearts and the Soldier's Medal for Heroism, states in his book on leadership: "You have to understand that you can't please everyone and that you have to piss off the right people rather than all the people." In other words, if we want to tackle problems, we must not impose

blanket punishments that hit good people, because of the illegal or unacceptable behaviours of a minority.

We must accentuate the positive and eliminate the negative. Admiral Nelson would never talk about defeat or evacuation procedures from his aptly named flagship HMS Victory. Napoleon Bonaparte wanted brave soldiers and therefore he rewarded bravery and great performance. Napoleon always promoted lucky generals, because doubtless he knew that what other people call good luck is rarely a matter of chance. As the famous golfer Gary Player once remarked: “The more I practise the luckier I get.” For myself, I find that luck occurs when preparation coincides with opportunity.

### **Obstacles to fair reward**

Our welfare system is a serious obstacle to a fair approach to rewards and incentives. It was designed by Beveridge in the 1940s to be, not a permanent way of life, but a safety net: 60 years on it has become a spider’s web, trapping people in dependency and making poverty comfortable.

The welfare benefits system offers few rewards for positive behaviour. It does have an elaborate edifice of penalties, which people learn to avoid. The Work and Pensions Secretary Iain Duncan Smith has, perhaps for the first time ever, introduced the concept of reward into the system with his acknowledgement that work has to pay. He has taken on board the fact that, as benefits advisers have been pointing out for years, an unemployed person who takes up a job loses so many benefits almost straight away, including housing benefit as well as income support, that he or she could actually be financially worse off when they start work. Becoming one of the highest marginal rate taxpayers in the UK, coupled with the extra expense of going to work, is a huge incentive for an unemployed person to stay on the dole!

Duncan Smith is prepared to allow benefits to be withdrawn more gradually so that a person is supported into work. In other words, the system will offer a small reward for taking up work, rather than a swift penalty. Duncan Smith is accepting that the extra cost to the benefits system is worth it in the short term, for the greater goal of having more people in employment in the long run.

We need to think intelligently about these issues, because our society is not comfortable with reward. In particular, we are not comfortable with the idea of reward for the people who access public services – that is, principally, the young, the elderly and the low-income. We are also frequently ambivalent about rewarding those who deliver the services, a large bulk of whom are on very low wages.

Look at the way we reward people who have saved all their lives. If, when they reach retirement age, they need to go into residential care, they have to fund this themselves, using up their assets until their capital drops below £23,250, whereas people who don’t own their own home and have

no savings have their care costs paid by the state. While there might be sound reasons for this policy, in terms of public finance, it is perceived as bitterly unfair by elderly people and their families. People feel it as a slap in the face at the end of a lifetime of hard work. They feel the rewards are greater for those who haven't put in the hard work. Crazy though it may sound, it is perfectly possible for somebody to be supported financially from birth to death by the state, through the care system, penal system, housing benefit system, welfare benefit system, culminating in their funeral being paid for by taxpayers.

Inequity between different parts of the UK also causes resentment. Scotland and Wales have free prescription charges, free higher education, free residential care and other benefits. In Northern Ireland residents have never paid for their water charges. English taxpayers have to fund all these things themselves, while also subsidising other parts of the UK.

If public services are short on rewards, when it comes to penalties they have a whole armoury at their disposal. Unfortunately, people simply find ways around these. I used to work for a local authority and spent a lot of time chasing rent arrears. One Saturday I was sitting in a pub on an overspill estate, after a football match, and heard two men from the opposing team talking at the next table. One was examining an official-looking letter in a window envelope. Before he had even opened it, the other chap said to him: "That's from the council mate. It's an AL7." His friend had no idea what an AL7 was. "Well," explained his mate, "you're obviously in rent arrears and they have twelve of these letters – AL1, AL2, AL3 and so on. On your twelfth you'll get a notice of seeking possession and that's alright because then it goes to court. That probably won't be for another year or two." So the other guy said, "What should I do with this one?" His mate replied: "Bin it. When you get the AL12, give them a ring, throw £150, £200 at them and it'll go back to stage one." He knew the council's rent recovery system better than most of the people who worked there. Perhaps we should have employed him to collect rent on a percentage basis!

His advice was spot on. That was exactly what the procedures were and that was why we were not efficient and effective rent collectors. I learned those lessons and that is why we've adopted an approach encouraging and rewarding rent payment with incentives, rather than tackling the problem with expensive, and not particularly effective, enforcement, as I explain in Chapter 4.

### **If you can't change behaviour, remove the opportunity**

If people are causing trouble, you can try to punish them – or you can try to change their behaviour, or change the situation that makes their antics possible.

Coming back to tower blocks, why are they the location for so much social tension? Having lived in some, I can tell you why. You live on a floor where there are several flats, and you may or may not strike up good relationships with your neighbours. Tower block entrances are often

architecturally brutal, festooned with council notices and very often the lift stinks of urine. You rarely see or know the people who live above or below you. Those above you drive you crazy when they move furniture, flush the toilet in the middle of the night, play music, have the telly on loud and clomp about. Unbeknown to you, the people on the floor below feel the same way about you, though you are oblivious to their feelings because you never see them. People blame other residents and don't understand that the problems are caused by poor insulation and architectural antagonism. Suspicion and mistrust engender feelings of fear, anger and frustration, which can build up and result in unfortunate, but understandable, aggressive outbursts.

Crime is committed, by and large, in places where criminals can get away with it, or think they can get away with it. Badly lit streets or neighbourhoods where people don't know each other, where there are no 'eyes on the street' and no community cohesion, provide perfect havens for criminality. The opposite of this is the kind of sense of place described by the eminent Chinese-American Yi Fu Tuan in his book *Topophilia*, where he advocates the importance of creating places where people feel happy, safe and comfortable.

We had a problem of fear of crime and anti-social behavior in some of our tower blocks. They should have been nice places to live, offering flats with fantastic views, but they were difficult to let and unpopular with residents.

The lack of community spirit in these unhappy vertical neighbourhoods was ripe for exploitation by local yobs. In the evenings, they came in to sit in the warm, smoke dope on the stairs and urinate in the lift. If seen, they were unchallenged by residents, who felt intimidated, and furthermore had no idea whether the lads lived in the block or not.

The industry standard response to this situation is usually CCTV. Some of my colleagues visited another development kitted out with electronic gates, cameras that follow you as you walk around, a control suite with a big bank of screens and so on. It was a bit like a prison, except that residents were allowed to go in and out. We were invited to spend £450,000 on a security system that would supposedly be the solution to our problems.

I asked myself, how would CCTV help? Intuitively we might believe that CCTV would deter anti-social behaviour. But yobs cover themselves up with hoodies, balaclavas, ski masks and sunglasses. Installation of cameras would not by itself foster happy relationships among residents. Indeed having CCTV cameras on every corner tends to turn a place into a Colditz-style barracks, which stigmatises a building and makes it look dodgy.

What we really needed to do was to install noise insulation between floors, but even more importantly to build a community of people who respected each other and understood the importance of looking out for neighbours. We had to get residents talking to each other, because only then could the community itself prevent youths turning the place into their own anti-social playground.

My first question was, “how were these yobs getting into the building?” We had already installed a £250,000 door entry system: surely this was enough to make the building secure? To find out, on several evenings I hung around the tower blocks for a few hours late at night, observing the shenanigans.

It transpired that these youths either tailgated residents as they were walking into the block or randomly pressed doorbells until a resident got so fed up with the constant ringing that they let the intruder in. I noticed one of them place a small pebble at the bottom of our quarter of a million pound doorframe, which stopped the door clicking shut. With one pebble he had completely bypassed and disabled some of the best security equipment on the planet. Then he settled down with his mates for a nice spliff. Before I got stoned myself through passive inhalation, I phoned the police who responded promptly and effectively.

A few days later, we knocked on doors and spoke to every resident. I discussed the problems we were having, with the wrong sorts of behaviour by the wrong sort of people, and asked for their help in sorting out these problems in an adult way. Worryingly, hardly anybody in the block knew each other. Residents’ meetings had attracted only a handful of people and were described to me as boring. Clearly (bearing in mind the reward idea) people needed an incentive to get together. So we organised various community events, including cheese and wine receptions and community singing, and we developed community gardens to bring people together. Importantly, we also had some high profile evictions to make it clear where we stood on people paying the rent and abiding by their tenancy agreements.

Residents in those blocks now know and greet each other much more than ever before. As a temporary measure we employed security guards (usually called concierges); we brought in a graffiti artist to make communal areas look funky and improve the ambiance and sense of place. But primarily it was the residents who changed the culture of their vertical neighbourhood. We know there’s an improvement because people tell us. There is now a healthy demand for flats in the blocks: word has got around, people want to be there... vandals don’t!

This is an example of how a rewards-based approach produced the results that I’m sure a punitive approach would not have obtained. Investment was needed, but it was social investment not CCTV. A landlord investing in its housing and its communities should be seen as a positive move, not a waste of money. On the other hand, I knew we had to take preventative, rehabilitative and enforcement action. It might sound dictatorial, but on their own the residents would not have come together to take action. They were too busy mistrusting each other and leading isolated lives: the conditions were not right for community spirit. A whole range of improvements, financial and community incentives have had a beneficial effect.

### **Invest in the positive, not the negative**

As a society, we spend a huge amount of money on the negative and have been doing so for many years. Local authorities spend about £250m a year on CCTV camera systems. You might

say this is the price we pay for a secure society, except that we are not secure: fear of crime is still very high. The question is this: at a time of austerity, how can we ensure that every pound we spend of public money produces positive gains for our society and does not reward the behaviours that we seek to eliminate? We need to stop devoting so much time, energy and money to dealing with those members of society whose behaviour is not consistent with a just and honest society.

My argument in this book is that there is another way. We can save money and create happier neighbourhoods and societies by rewarding the good, instead of squandering increasing amounts of time and money on the bad.

We should specify the behaviours we want and encourage people to behave in the ways that produce happy, healthy, well-educated, crime-free people and places. A three pronged approach of prevention, rehabilitation and enforcement works, especially when the greatest emphasis and investment is placed upon prevention. This is not behavioural fascism or some attempt to control people through Pavlovian conditioning. Companies, churches, scouts, the police, the judiciary all insist on behavioural codes of conduct for their members and reward accordingly, so why should we not for society as a whole?

At a time of restraint, cut backs, the future uncertainties of climate change and increasing demands on the UK's coffers, through an ageing population, it is critically important that every penny of public expenditure produces positive outcomes and that we do not spend our hard-earned money rewarding bad behaviours and correcting self-inflicted problems.

We should take a fresh look at how public money is spent. When Jamie Oliver started his school meals campaign in 2005, there was national shock when it was revealed that the country spent more per head on prison meals than school meals – 60p per prison meal, a mere 35p per child meal. I'm not saying prisoners shouldn't have decent food, but why had we thought the nutrition of children (our society's future) was worth less than that of jail birds? Of course, school children are not in a position to complain. If they had, they would not have been taken seriously: school meals have traditionally been terrible and we all have our personal horror stories – mine was the stinky, bony fish pie with sloppy mashed potato served up every Friday. Typically, the only meals worse than school dinners are the hospital meals served to sick people trying to become healthy!

For some reason, as a nation, we thought it was OK for school food to be cheap and low-quality, even though, for some kids, school dinner will be the only cooked meal they have in a day. Despite Jamie Oliver's efforts, there was, and still is, a lot of resistance to the idea that children should have the 'reward' of fresh, tasty, properly cooked food. Yet all the evidence shows that healthy food helps children perform better at school and in many cases improves the behaviour of troubled kids. Putting it another way – if we as a nation had spent more on school dinners over the years, we might be spending less on prison dinners now.



## **Getting more for less**

In these challenging austere times, getting high levels of productivity from every workforce, particularly in the public sector, is essential. Resources are scarce and will get more scarce in the foreseeable future. That should impel us to take action now.

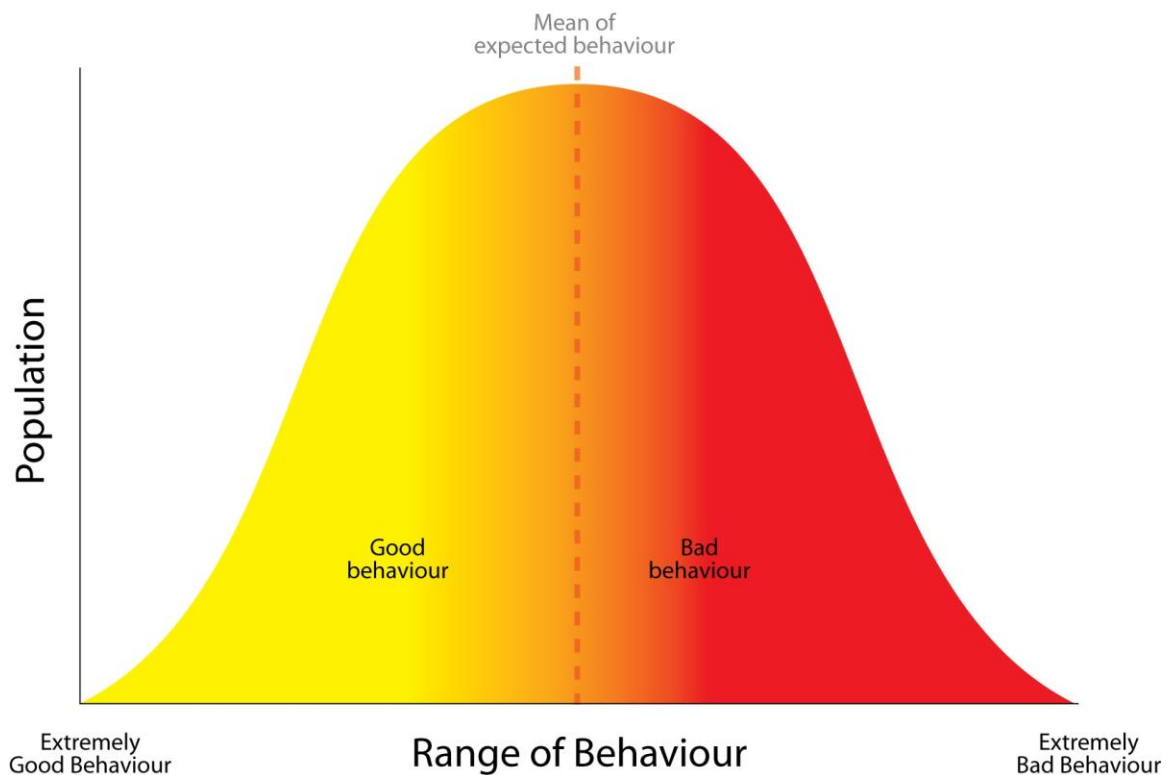
Rewarding decent, law abiding behaviour will engender fulfilment and help reduce anti-social behaviour and human and financial wastage. Encouraging people to take personal responsibility for their health, happiness, education and behaviour is more important now than ever before. We need to start creating workplaces where people want to be and where they give of their best. This is an absolute prerequisite for raising morale, stimulating motivation and ultimately getting important jobs done with a smile on people's faces.

These are the sorts of issues I'm going to explore in this book. I am proposing a meritocratic approach to work, education, health and many other elements of society, in a concerted effort to focus limited resources on achieving the outcomes that create a society we can enjoy and be proud of.

## Chapter 2

### The Curve

# Expected Range of Behaviour



This is the curve. It is an invaluable way of understanding what is going on in society. The diagram above is a kind of generic curve, but you could plot one for pretty much any kind of behaviour or situation. The statisticians call it a normal distribution curve.

If the normal pattern of behaviour within a society (without any outside influence on it) is plotted, we can see that some people would exhibit very good behaviour, some people would exhibit very bad behaviour, but the bulk of the population would be in the middle and the distribution would occur around an average or mean level.

The important point is how the curve can move. If some people behave badly and there is no sanction against them doing so – or indeed they are actually seen to benefit from it – while those who exhibit good behaviour do not receive recognition or reward, there will be a tendency for sections of society to copy the example of the bad behaviour.

Let's imagine this curve represents the number of social housing tenants who pay their rent within certain time parameters (you could do something very similar for, say,

householders paying their council tax or businesses paying their VAT). The scale goes from ‘paying on time’ at the left, to ‘not paying’ at the right, through various stages of paying a week late, paying after a reminder, paying after several reminders, not paying until there is a court order... and so on.

The vertical scale is the actual number of people. From a statistical point of view it is not surprising that most people are clustered in the middle. But it is *where* in the middle that is significant.

To the far left are the really reliable, good people who always pay on time and have never thought of doing anything else. Millions of tenants like my Auntie Beryl and Uncle Jim and my mum and dad fall into this category. When my Uncle Jim sadly died and I was helping my aunty sort out their affairs, I discovered he had paid his rent two months in advance.

To the far right are the people who never pay their rent and have no intention of doing so. They consume enormous amounts of other people’s time and energy and are usually well known to a multitude of “state industries” like social services, the Department for Work and Pensions, housing benefit offices and the police. I am not talking here about people who can’t pay: these are the ones who won’t pay, many of whom will be members of David Cameron’s 120,000 UK problem families. These won’t-payers are a headache for landlords and can be a menace to society. They are not large in number but almost all landlords spend the majority of their time with them. Consequently, most housing officers will know their names and can recount at length their experiences with them, whereas they will rarely know the names of their customers who always pay on time.

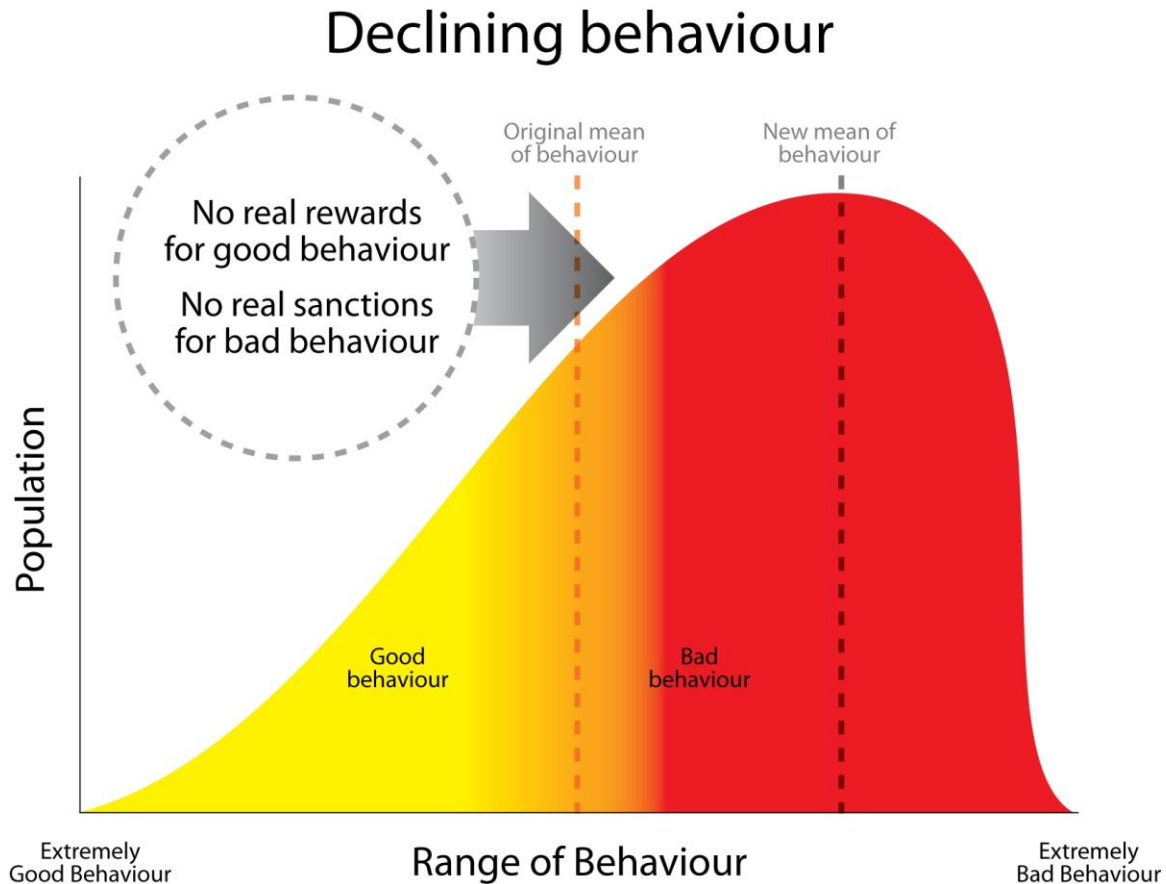
Probably about 5 to 10% of the relevant population (here, social housing tenants) fall into each of the ‘very good’ or ‘very bad’ categories at either pole on the graph. They are mostly fixed in their ways: it takes a lot to budge them.

What is interesting is the 80% or so in the middle of the curve, because their behaviour does change.

In the 1950s, when many of my family members took up their tenancies, the top of the curve – that is, the greatest number of people – would have been to the left of the halfway point. In other words, the bulk of people paid their rent more or less on time, without fuss. If they were late, it was probably because they were disorganised or had been hit by some domestic crisis. People paid their rent regularly: it was the norm.

In the 60 years since then, more and more people in social housing – that is, council tenants and housing association tenants – have come to be regularly behind with their rent. Some of these debts are small, others very significant, but overall the arrears represent an enormous loss of income for social landlords.

What has happened is that the curve has moved to the right. This graph illustrates what you see when the behaviour of the average person (depicted by the mean) becomes worse, compared to the first graph.



Why has the behaviour of rent payers – in other words their readiness to pay in full and on time – deteriorated? It might be thought the reason is economic: we have higher unemployment than in the 1950s, particularly among social housing tenants, and relatively higher rents. But this cannot be the reason because, in the vast majority of cases, housing benefit is there to cover the rent if the tenant's income is not sufficient. The amount paid out in housing benefit in the UK is huge: more than £22 billion in 2011 paid out to 4.94 million claimants. The number of people receiving housing benefit has been climbing steadily in recent years, so, although there are sometimes delays in an individual getting their benefit through, it is undoubtedly a major support system for tenants on low incomes.

The real reason people get into arrears is essentially to do with culture and behaviour. My family members were products of another era, when behaviour norms were different.

They took pride in paying their rent, or indeed any bill, on time. It was part of their value system: their view of what it meant to live a decent and successful life.

That attitude has more or less evaporated. Few people now count ‘paying bills on time’ as the mark of a successful life. On the contrary, over the past 30 years, having high levels of debt has become the norm for individuals and indeed governments. People are now much more comfortable funding their housing, consumer goods, and even their education, through debt. People in rent arrears will almost certainly have other debts too (some on extortionately high levels of interest) and often they will regard rent arrears as a kind of interest-free loan – a debt that can be run up without immediate cost or consequences.

However, failing to pay your rent is not behaviour that simply has no consequences. The cost is to the social housing provider, in a double whammy because people in rent arrears are usually a landlord’s most expensive customers in other ways too. The impact falls on the neighbourhood as a whole, including on those neighbours who do pay their rent. The problem is that the impact is not perceived, and the bad payers see no reason to change their ways.

They have no incentive to change their behaviour because sanctions against them are limited, while in almost every circumstance they receive the same, if not better, services from their landlords as the good payers. Compared with the good payers, non-payers order more repairs (typically three times the average), have the untidiest gardens, and take up more of the housing professionals’ time than tenants. This is the experience of most housing providers in the UK and is caused by outdated laws and their unintended consequences, as I will come on to explain.

### **Why does behaviour change?**

Behaviour concerns us all. It is people’s behaviour – not their beliefs – that determines whether a society is a good one to live in or not. For society to work, which at the very least means for us all to get on with our lives free from threats to our person and property, everyone’s behaviour has to be within certain acceptable parameters. If some people do not behave in that way, society has to spend a lot of money on clearing up the consequences, guarding other people against their behaviour and so on. It is expensive. If bad behaviour improved, we as a society would have a lot more resources to spend. It sounds obvious, but it also sounds difficult to address. Nevertheless, in our current straitened economic circumstances we have to address it, if we want our society to improve and not be in a state of constant decline, with inordinate amounts of public money being spent on negative and potentially destructive activities.

Over the past 40 years, those on the front line of dealing with anti-social behaviour have become deeply involved with why people behave the way they do. Is it social conditions? Family history? Educational failures? Deprivation? Financial circumstances? The list goes on.

I'm not denying that all of those, and many more, are factors, but I'm not concerned with those here. I start from the position that anyone over the age of 10 (and certainly any rational adult) can take charge of their own behaviour, and modify it if they want to. Poverty is always a serious issue and should be addressed. But if you're an adult, being poor is not an excuse for being filthy, foul-mouthed or dishonest. Those are behaviour choices. There are always other people on low incomes who have chosen differently. High income earners are not free from bad behaviour either.

The question is, *why* does behaviour change? My argument is that it changes according to the ways the people at the extreme ends of the graph are treated.

Let's face it, not many people are as reliable and upstanding as my Auntie Beryl, my Uncle Jim or my mum and dad. But neither do most people want to lead a life of crime. On the whole, they do what they perceive others around them are doing, and if something is a bit questionable, some do what they think they can get away with.

A proven example here is littering. If you catch up with someone who has just chucked their burger carton on the ground and ask them why they did that, their responses will be something like:

- a. "What's it got to do with you, \*\*\*\*..."
- b. "Er, dunno, didn't think..."
- c. "It's not my fault, there are no litter bins round here."
- d. "Everyone else throws their litter on the ground."

If you want people to change their behaviour, the first thing is to get them to think and take personal responsibility for their actions. I'll expand on this in the next chapter.

Response c is probably true – local authorities have removed many litter bins, partly for security reasons following the IRA bomb in a bin at Victoria Station, and partly because there are better things for them to spend their money on than emptying litter bins. The message 'take your litter home with you' has been with us for many years now.

Response d is interesting, because it illustrates how people modify their behaviour in accordance with what they perceive other people are doing. The best way to stop people chucking litter is to have a clean environment and public realm, which people respect. Look at Singapore – famous for not only its pristine streets but also the impeccable public behaviour of its residents.

If people see rubbish strewn around them, they get the message that everyone else does it, there are no penalties and nobody cares. The well-known 'zero tolerance' policy pioneered in New York started with clearing litter and graffiti in order to tackle crime. At first, no-one could see the connection, but it became apparent that if people perceived that an environment was respected, and minor anti-social behaviour was not tolerated, it acted as a brake on serious anti-social behaviour, property crime and muggings. In one of our

neighbourhoods in Salford our hanging baskets programme not only spruced the place up but residents noticed that the bin men also sharpened up their act in response and the whole environment became more pleasant.

So coming back to rent arrears, how are people at the left and right poles of the graph treated? What happens if you always pay your rent on time? Nothing much. Your landlord takes you for granted. What happens if you don't pay your rent? Again, nothing much. Or at least nothing for quite a while. As I mentioned in chapter 1, the reminder letters will keep dropping through your letterbox. Your landlord will threaten eviction, but you will have noticed that your neighbours have got away with being in rent arrears for years and are still comfortably in their home, with the plasma HD 40 inch telly they've bought with the money they haven't paid in rent.

If, by chance, you fail to cough up a few hundred quid to appease your landlord and you do indeed go to court, there's nothing much to worry about. The judge will look at your arrears and order you to pay them off at a rate of a pound a week, on top of your usual rent. This does nothing to help your landlord's arrears problem, but meanwhile a large amount of public money has gone on the administration, court time and various other costs of bringing you to justice.

### **The good, the bad – and the middle**

It is a shame that we take the good 10% of customers for granted, because not only do they save public authorities a great deal of unacknowledged money by paying their dues on time, but they are also usually lovely people too. They are the people who are reliable, punctual, honest and happy. They are not resentful and envious: when their neighbours spend the rent money on a holiday in Florida, they might criticise, but they don't start thinking, "perhaps we could do that...?"

They are the people whom, if you're lucky enough to have them as a neighbour or a workmate, you miss when they're away. They're the people who make you smile when they come into the room. In contrast, those people at the other end of the scale are the ones you sarcastically smile about when they leave the room. You can't wait for them to go on holiday (or to prison) and you pray they don't come back.

Sadly, the nation spends most of its energy and resources on the people who are unreliable, feckless and dishonest: the sort of whom people say "they think the world owes them a living." At the extreme is, for example, the ghastly Karen Matthews in Dewsbury, who, not content with an income of £1,600 a month from her various benefits, hatched a plan to raise more money by kidnapping her daughter Shannon and claim a newspaper's £50,000 reward for 'finding' her. Sentencing Matthews in January 2009, the judge commented that the search for Shannon had cost the public purse £3.2m, not to mention all the unpaid hours local volunteers had spent searching and campaigning.

Matthews is an extreme example, but in a sense what she was doing was only an extension of behaviours that have become fairly normal in society: being a single mother

with children by various fathers, living on a combination of benefits generated by the fact of being a lone mother, cashing in on the media fascination with the ‘victim of crime’. She wasn’t clever enough to invent any of these paradigms of behaviour: they were around in society for her to take advantage of.

But here I’m not going after the Karen Matthews of this world. She is part of the cohort of troublesome families who make up 1% of our population, cost us 8 billion quid a year and run health, police and social services ragged. Undoubtedly their behaviour has to be tackled, but I’m interested in the middle 80%. This is the bulk of people in a neighbourhood, and their behaviour determines the culture of that neighbourhood. By neighbourhood I mean a housing estate, a workplace, a football team, school playground or even social media networks – anywhere that has its own culture, a place to which people ‘belong’. These people in the middle modify their behaviour in accordance with what happens at either pole of the graph.

So if kids at school see their fellow pupils rewarded for full attendance, for handing their essays in on time, for wearing their uniform smartly and so on, they’ll think, yes, I’ll do that. They can see the point of behaving in the way that the school wants.

If, on the other hand, they see pupils who haven’t done their essays on time simply getting an extension, and then perhaps receiving more marks than the ones who met the deadline, they will quickly lose faith in the system. They will conclude there is nothing to be gained through abiding by the rules.

Authorities and policymakers don’t always think about the justice implications of what they decide. But ordinary people feel unfairness acutely. It’s the justice issue which has an effect on the floating behaviour among that 80%.

If you’re left of the middle of the curve you’re not likely to go too far to the right of the curve. But if you’re to the right of it, because you come from a culture where standards were not high, you think – I’ll have a bit of that. The kid who’s not doing well at school and spends his day being shouted at by adults sees his peers drop out of school and hang round the streets. His grandma says they’ll come to a bad end but, as far as he can see, they don’t – instead they are taken up as runners for the drug dealers and soon they have designer clothes and jewellery and girlfriends. What is he going to think?

It’s all about reward and justice. The rewards for the drug-gangs’ runners are immediate and tangible. They may also be short-lived, dangerous and are definitely illegal, but some kids don’t think far enough ahead to worry about that.

The problem is that there’s very little else, in today’s society, which offers equally attractive, and attainable, rewards for kids with no qualifications. Record levels of youth unemployment, higher education costs and rising consumer expectations, compound the problem. In the ‘good old days’ of fuller employment, an apprenticeship didn’t offer much in terms of monetary reward, but it did offer a young person a challenge, camaraderie, and a recognised place in society. Furthermore, apprentices, like lawyers



and medical students, knew they were entering a rewards-based system: if they worked hard and learned the skills, they would get on. Effort put in now would be repaid later. Many of my friends who started as apprentices have gone on to be very successful in business and life.

As a society we have abandoned this model and not put anything in its place. Attempts have been made to re-introduce the apprenticeship idea, but these schemes tend to be small-scale. Unskilled young people are told that the only route for them is to gain qualifications. This is an easy assertion to make, but many kids see qualifications as unattainable and even if they did get them, they only lead into a working life comprising a series of low-paid, short-term jobs... while the young people are often saddled with significant debts built up at university.

As well as society rewarding what it does want (young people in education, training or work), it should also be ensuring that there are no rewards for what it does *not* want. Unfortunately, not much is done to stop the drug-gang runners getting their reward. They are not a priority for police and the judicial system because they are small fry and their earnings are paltry compared to the bigger drugs players. But what happens to the runners is not insignificant: the kid hanging round on the street corner is having a bigger effect on behaviour in his community than might be apparent at first sight.

So this is the question for policymakers: is society rewarding the values it approves of and penalising the behaviour it dislikes?

Time and again, the answer is no.

Local authorities used to hand out home improvement grants. These normally went to homes that were run-down, which is hardly surprising – except that in practice this meant that if you made the effort to maintain your house, you never got a grant. When councils and housing associations modernise estates, they typically have a ‘worst first’ policy. They fail to allow for the fact that, on an estate of homes all built at the same time, the homes in worst condition are usually inhabited by the worst people, who have turned the place into a wreck. Meanwhile, their neighbours who have treated their home with respect have to wait years – sometimes indefinitely – for a new kitchen and double glazing.

The big danger is that people on the good side of the curve see laziness and irresponsibility rewarded. This is not what the local authority intended – but in reality it is what happens.

### **The moving curve**

Most people would agree that standards of social behaviour are much worse now than 30 or 40 years ago. That’s not just because we look at the past through rose-tinted spectacles: the following graphs show that there has been a very real rise in the annual figures for three social indicators – crime, divorce and alcohol-related deaths.

[three graphs go here]

These are just three indicators which show that our perception that things are getting worse is not just an illusion fuelled by nostalgia.

If you let people get away with things, the average standard of behaviour deteriorates and what was unacceptable 10 years ago becomes normal. The curve moves to the right.

I have to confess that I was not exactly an angel when I was a kid. Me and my mates would steal apples off trees, put bangers up car exhausts, knock on old ladies' doors and run away, light fires here and there. We didn't actually hurt anyone, apart from an unlucky frog. My community found my behaviour appalling. If you ask people nowadays what they thought of an area where occasionally a banger went off in someone's exhaust, one frog got blown up, some bottles of milk went missing, some apples off a tree, they'd say it's quite a nice neighbourhood. However, during my time as a bad boy my behaviour completely violated the standards of the working-class culture where I grew up, and I knew that and took the consequences.

Contrast that with what a teenage troublemaker can do in today's society. Recently a favoured target is a mother with young children, loading their shopping into the car in a supermarket car park. A lad gets into the car, holds a syringe filled with red liquid to the child's face and tells the mother they will inject the baby with HIV positive blood unless she drives to the nearest cashpoint and gives him her money.

Who ever thought of such a macabre thing to do? It's actually ketchup in the syringe but no terrified mother is going to take that chance. But that's what 'bad behaviour' can mean now. It makes you yearn for the days of stolen apples and bangers in car exhausts. The kids get away with it if they're picked up by the police, because they are technically not carrying an offensive weapon.

### **Adapting to the worst**

Over the last few years, very many cases have hit the headlines that have made us stop and ask – how barbaric can society get? I am thinking of Fiona Pilkington, who killed herself along with her disabled daughter Francecca in 2007, after 10 years of bullying and harassment by local youths who ruled the street. Only a few months later Gary Newlove was kicked to death outside his house by a gang that terrorised his street in Warrington.

These cases shocked the nation and brought home that anti-social behaviour is not just a nuisance, but can be murderous. Many people's thought was – surely we will all come to our senses and finally put a stop to this kind of violence, because things can't get any worse.

But this is not how it works. The curve keeps skewing to the right. We should never underestimate people's ability to think of worse and worse things, to threaten a baby with a syringe.

The horrific cases don't make things better; in fact they ultimately make things worse because we get used to the extremes and adapt. The Fiona Pilkington case made people aware that harassment of disabled people is a widespread problem, and no doubt the police are now much more responsive to such complaints. But often, acknowledging an issue means people start managing the problem, not eliminating it. When the Equality and Human Rights Commission Scotland subsequently launched an inquiry into the harassment of disabled people, commissioner Morag Alexander commented: "Disabled people experiencing harassment can become conditioned to hostile treatment, or are sometimes told to ignore it by those around them... They may also go to enormous lengths to avoid putting themselves at risk which can limit their freedom and opportunities."

It should be said that attitudes to disabled people and people with learning difficulties have improved enormously in British society. Fifty years ago, for example, children with Downs Syndrome were sent away to a 'home' out of sight; now, many go to mainstream schools, at least at primary stage. Rights of disabled access are enshrined in law. But if attitudes have improved, behaviour has deteriorated. That behaviour might only be perpetrated by a tiny minority, but it can be lethal.

For society to improve, behaviour needs to change as well as attitudes. Most people would agree Britain is overall a much more racially tolerant and integrated place than it was in the 1960s and 1970s, but knowing that is not much consolation to the Asian family getting bricks thrown at their windows and turds pushed through their letterbox by white youths.

Behaviour in society rarely changes for the better by itself. But a concerted effort to stop certain behaviours can work. Deaths on the roads have dropped significantly since the 1970s, after seat belts were made compulsory and strict drink-driving laws were enforced. At the time, opponents declared wearing seatbelts and not being able to have 'one for the road' were infringements of drivers' freedom; no-one would argue that now.

Teenage knife crime is a clear example of how the curve moves, to everyone's detriment. Even 15 years ago, ordinary schoolchildren would not have dreamed of carrying knives. Then the bad kids started using knives to steal their fellow pupils' money and mobile phones. So other kids began carrying knives for self defence. After a while, knives became acceptable among young people who previously would not have thought of possessing a weapon. The curve shudders relentlessly to the right. Teenagers get into fights, and a fight with a knife is very different from a fight without one. There were terrible cases of tragic deaths, with the victim often being the young person who was simply trying to stop the violence.

This was the case when 16 year old Ben Kinsella was knifed to death in London in 2008. His sister, actress Brooke Kinsella, was commissioned by the government in 2010 to report on anti-knife crime initiatives among young people. Her report notes: “Firstly, young people felt afraid that others were carrying weapons and so claimed they needed to carry knives themselves for self-protection: the ‘fear’ factor. Secondly, other young people carried knives because it was seen as a fashionable or cool thing to do: the ‘fashion’ factor. These ‘fear and fashion’ factors that lead to the decision to carry a knife were evident at every project I visited.”

Interestingly, she comments that the young people she talked to, in various parts of the country, usually had very clear ideas as to why a particular anti-knife crime project wasn’t working and what would make it work better. The adults involved often had little grasp of what young people valued, respected or feared. This ties in with one of my themes, which I’ll come to later in the book when I talk about motivating people: to get the best out of people, you have to treat them as *they* would like to be treated, not as you would like to be treated. Kinsella also says that at the same time as tackling criminal behaviour, there needs to be more acknowledgement of the fact that the vast majority of young people are decent and law abiding. In other words, there should be more reward and recognition going to good behaviour.

The rise in youth knife crime demonstrates that deterioration in behaviour is a process, a series of events and responses.

I remember going to visit Norah Peyton, an astonishing elderly lady who was a one woman campaigner against crime in her community; she was named Neighbour of the Year in the Pride of Britain Awards 2001 for her work. Her estate in Gorton, Manchester, was horrendous: people openly dealing drugs on the streets; kids screeching cars round corners; tyres on the lampposts, trainers hanging from the telephone wires (who knows why?); packs of feral dogs roaming the neighbourhood like some kind of urban wild boar, apparently living on a staple diet of bin bags.

We sat outside in her impeccable garden, drinking Earl Grey tea, while the madness raged around us. “They’ll never steal my sanity,” she assured me.

Her presence was a reminder that the estate was not created as bad as it was: it became that way, year by year. At one time it was a respectable and desirable place to live. But as things got worse, the good people moved out. Others moved in who couldn’t be housed elsewhere, or had been evicted from other places, and the curve once again moved to the right.

Norah was one of the last decent householders still in her home. To say she refused to be intimidated is an understatement. She was fearless: she would go up to drug dealers, take the drugs off them and throw them down the drain. She put herself in danger by doing so and once was shot at by an air pistol, while she was in her wheelchair.

She died in 2009, in her 80s, a legendary figure. There are examples of other estates which are lucky enough to have a tough old matriarch like her, who will stand up to the violence.

But the solution to dealing with bad estates is not to have a Norah living there. There has to be a much better organised and less risky approach, which pushes the curve as fast as possible to the left, because this will result in dramatic improvements in average behaviours, raising expectations and standards. It can be done, but only with a conscious and concerted effort. It is easier to adjust to the deteriorating situation than to try to improve it. Irwell Valley colleagues routinely wear stab vests when they are out visiting our customers; I wear one myself. It is not so much our residents that we worry about, as we know them personally. But you can never be too careful. When you think about it, this is a depressing step: we are right to protect our colleagues, but all we have done is adapt to the increased threat of violence. We have done nothing to stop that violence.

It is not just on estates that you find a tangible and perceptible deterioration in the way that people behave.

Go to any town centre after 11pm on a Friday or Saturday night – whether it is a northern city or a home counties market town – and there will be groups of screeching, lurching lads and ladettes, peeing in the gutter and falling into fountains. They are not teenagers: most are in their 20s and often in their 30s, certainly old enough to know right from wrong. But as well as making fools of themselves and intimidating passers-by, they often resort to criminal damage too. On Sunday morning there's always a furious retailer boarding up her smashed shop window.

In the main, these will be young people with steady jobs, hence with money to spend on alcohol and recreational drugs. On Monday morning they will be neat and tidy, back behind the building society counter or in front of their computer. Their parents would not have behaved like that in public on a Saturday night, so why do they?

Alcohol is usually blamed, but there is a strong element of acceptability too. People are not embarrassed about making fools of themselves and damaging property: their friends all do it too. Everyone knows it is a laugh. They don't worry that people will think ill of them in any way. Bad behaviour has become the norm and if you don't do it, you're no fun. Raising the price of vodka is not going to solve that problem.

In so many ways we have got used to poorer standards of behaviour. If you complain, you sound like some old fashioned Mary Whitehouse figure, unable to cope with the edgy modern world.

Technology has brought us new ways to behave badly. Look at how people conduct themselves on the internet. I'm not talking about paedophiles cruising for victims, I mean ordinary people who air their opinions. Take a look at the online feedback to an article in one of the broadsheets – *The Daily Telegraph* or *The Guardian* – and you'll see the

outpouring of bile and bigotry (not to mention bad spelling). Protected by the anonymity of cyberspace, people love to make their comments as hurtful as possible. It's dispiriting.

### **Purposeful action**

In my experience, the curve can be pulled back, but only through purposeful, organised action. Left to their own devices, most people are not going to raise their standards of behaviour, and certainly not because politicians or other authority figures exhort them to do so.

Take the kid who's dropped out of school and is vulnerable to being lured into a gang. There are inspiring stories of young people, from poor, dysfunctional families, who have gone on to great things. But most people are not that focused or determined; most people do not have some exceptional sporting or artistic talent that will lift them clear of the circumstances they were born into. Most young people simply do what their mates do.

So if we want them to do something other than drift into a life of petty crime and drug addiction, we as a society have to act. If we want teenagers and young adults to understand the difference between right and wrong, to be well-educated, optimistic, and have civic pride and social responsibility, we as a society have to work at that all the time.

It is the same as if you were managing a workforce, or a football team, where you want certain values in place in order to achieve success. You have to make sure that the values you want are congruent with the opportunities you've put in place. Equally, you have to make sure that the values you don't want are not being rewarded.

So the kid on the street corner sees crime being rewarded. He will only get a different message if there is a police crackdown making the penalties swiftly obvious.

But also, looking around him, he sees the reward system our liberal society – for all sort of well-meaning reasons – has put in place for him. He sees worklessness, if not exactly richly rewarded, certainly not penalised. He sees sexual irresponsibility rewarded. For young men, fathering a child frequently incurs no responsibility at all, either financial or emotional. For young women, having a child is positively rewarding in countless ways: as a lone parent they gain money and opportunities others do not have. I am not just talking about the stance taken by the authorities here, the benefit rules and so on. Fifty years ago, being the father of a child was taken very seriously; now, it seems, little pressure is put on young men by either the mothers of their children, or their own families, to support their kids in any way. A major shift in attitudes has taken place here, for a complex variety of reasons, but the end result is a situation which is detrimental to children and expensive for the public purse. Furthermore, it is so commonplace that few people comment on it or suggest things could be different.

Do we really think carefully about the messages we are sending to the next generation? At Irwell Valley we are involved in a number of schemes with young people who have been causing trouble, trying to encourage them to change their ways and stop anti-social behaviour turning into criminal behaviour.

I was once visiting a youth club to talk about this when a kid came up to me and said, "Excuse me mister. Do I have to smash windows to go camping in the Lake District?" I realised that, as far as they can see, we take the bad kids away on holiday while the good kids have to plod along to school.

### **The negative expenditure burden**

The overall deterioration that I'm talking about is costing us a lot of money. Having an under-educated, under-motivated population, with little idea of how to take personal responsibility or contribute to society means billions are wasted. There's a huge negative expenditure burden for society. We know that we already spend £200bn on the welfare state. The Department for Communities and Local Government carried out research in 2011 that pinpointed the waste of money involved in dealing with the most troubled families. They estimate there are around 120,000 of these families who have a toxic cocktail of problems – parents not in work, children missing school, low income, illness and mental health issues and so on. The DCLG estimates £9bn is being spent annually on these families – £75,000 per family per year. But £8bn of this is spent on reacting to the various problems, in particular, taking children into care where necessary and dealing with the crimes committed by parents and children within these families. Only £1bn of the £9bn is spent trying to turn these families' lives around.

Add to these 120,000 families a larger swathe of households whose circumstances are less extreme but who are mired in difficulties – lack of work, debt, children's poor behaviour and so on – and it is clear there is a huge ongoing negative expenditure burden for society.

It is encouraging to note that the government is using a reward programme to help these families and local authorities will get funding to deal with them on a 'payment by results' basis. This rehabilitation is welcome, but we must ask how and why we got here in the first place and ensure that it never happens again. Think of the opportunity cost involved in spending £8bn on people who make up a mere 0.2% of the population.

You could argue that such rehabilitation programmes reward bad behaviour, and indeed they do in the short term. But the long term effect is more important. If as a society we learn from our mistakes and do not allow out of control behaviour to go unpunished, while we reward the behaviours we want to see, then we have a better chance of avoiding this waste of money in future.

It's obvious that criminal behaviour costs society money, but what about personal irresponsibility? How much does it cost councils to clear up dog mess and chewing gum?

Why does the health service have to spend so much on treating diseases that people have basically brought on themselves, through smoking and over-eating? Health trusts are having to buy ‘bariatric’ ambulances, costing up to £90,000 each, which have reinforced lifting gear, wider stretchers and so on, to take larger patients. One manager at a trust told the BBC: “Only 10 years ago your average patient was 12 to 13 stone, now that’s probably 17 to 18 stone. And we quite regularly see patients around 30 stone in weight and even bigger than that.”

We should be worried about those sorts of figures – a 30% gain in average weight in only 10 years – at a time when no-one can say they don’t know about the basics of healthy eating.

We’ve realised now that as a society we only have limited resources. We should be viewing this, not in terms of whether we should make x% or y% of cuts, but whether we are spending those resources on the right things at all.

We should be looking to spend money in areas where it can move the curve. An example is the NHS campaign to get people to stop smoking. Moving the curve to the left will have benefits in all sorts of areas, not just on the smoker’s health but on their children’s health, for example. The ban on smoking in public places was derided as an attack on civil liberties, but it has had an effect.

While smoking continues to decline, the health service will be dealing with the consequences of it for many years to come. However, now that fewer people smoke and are seen to smoke, it has become clearer that smoking is a choice. Of course, nicotine is addictive and giving up isn’t easy, but most people would acknowledge now that if you smoke, that’s your choice and you have no right to inflict your habit on other people. The element of personal responsibility is recognised. That is crucial to changing behaviour.