



## Japan Local Government Centre, London

### Monthly Report for August 2011 – Open Public Services White Paper

The UK Prime Minister David Cameron launched the Open Public Services White Paper in July, outlining the coalition government's intention to open all areas of public sector activity to outside providers – with a few exceptions such as the judiciary and national security.

The White Paper outlines the key principles and measures that have been, or will be, introduced to drive improvement. A 'wide ranging discussion', up to the end of September, will take place when the Government will set out a work programme for implementation. In November the Government will set out how departments will take forward ideas over the rest of the Parliament, and from April 2012, departments will publish regular progress reports.

#### **Key points of the White Paper are outlined below:**

##### **1. Why open public services?**

The White Paper argues that the 'old fashioned' 'centralised', 'take what you are given model' should be replaced by one in which 'people have the power to make decisions and exercise choices' over the public services they receive.

It asserts a new approach is needed to improve the quality of service provision, meet the challenge of reducing the deficit, meet rising public expectations, growing demand and match international competitors. The White Paper states that the role of the central state is changing from running services to overseeing core standards and entitlements (e.g. school floor standards and NHS waiting times), fair funding (e.g. Pupil premium) and equality of access (e.g. School Admissions Code). In contrast, it continues, giving power to individuals, communities, public sector staff and voluntary, charitable and private sectors will improve services and lead to better use of resources.

Five principles for modernising public services are outlined:

1. **Choice** - wherever possible choice will be increased
2. **Decentralisation** – power should be decentralised to the lowest appropriate level
3. **Diversity** – public services will be open to a range of providers
4. **Fair access** –we will ensure that there is fair access and fair funding for all
5. **Accountability** –services will be accountable to users and taxpayers

##### **2. Open Public Services in Practice**

The White Paper describes three categories of public service:

- individual services – personal services such as education, childcare
- neighbourhood services – provided very locally and collectively – e.g. leisure, public realm and community safety
- commissioned services – local and national services that cannot be devolved to individuals or communities

### **3. Individual Services**

The White Paper sees funding following people's choices – shifting 'billions of pounds to individuals' so that the money to fund the services to which they are entitled will flow to providers in response to the choices people make. It highlights examples of Government intention to ensure every adult receiving social care has an individual, personal budget by 2013, that there is a move towards personal budgets in chronic health care, for children with special needs and in housing for vulnerable people.

### **4. Neighbourhood Services**

Although most of the measures outlined relating to local authorities are contained in the Localism Bill currently going through Parliament, key measures outlined include:

- Consultation on potential new rights for neighbourhood councils to take over some key local services, for example, libraries, parks, parking, street improvements;
- A long term aim to encourage new neighbourhood councils and groups, including reviewing their revenue raising and borrowing powers. This will build on powers to take charge of planning in their area;
- Community Right to Buy – local people/organisations will be able to have a chance to bid to take over land/buildings of importance to them;
- The transfer of community assets – to community management/ownership to be encouraged;
- Community Right to Build – allowing communities to take forward plans for development without conventional planning applications;
- Community Right to Challenge – giving community/voluntary sector groups, parish councils and council staff powers to challenge and run council services;
- Expectations on how councils should work with the voluntary and community sector funding relationships to be reviewed (for example, giving three months notice when reducing or ending support and allowing provision for alternative options to be proposed);
- Look at ways to encourage disabled people to seek elected office;
- Encourage community budgeting with the pooling of service provider budgets to address local issues;
- Encourage local areas commissioning – for example through Local Integrated Services (LIS) approach.

## **5. Commissioned Services**

The White Paper argues the default position of future public service provision will be to switch from one where the state provides services itself to one where the state commissions the service from a range of diverse providers.

As a result, the Government wishes to see an 'open commissioning' policy introduced to specific areas (with consultation on where those areas should be) where:

- Commissioners consult with, and will be challenged by, providers on the future shape of the service;
- Commissioners seek and consider a minimum of three providers when they contract for services; and
- Transparency is linked to payment by results.

The paper specifically looks to consult on:

- Whether the role of councils should be enhanced – extending their scrutiny powers to other sectors;
- How providers can enable greater user participation;
- How transparency can be extended to providers from private and voluntary sectors.

## **6. Ensuring Diversity of Provision**

The Government is seeking ways to extend autonomous providers (e.g. health trusts, academies) to most areas of the public sector, including exploring enshrining an overarching right to choice for individual services in legislation.

The White Paper highlights how staff will be given rights to form new mutual societies and to bid to take over services they deliver (examples cited include the 'Right to Provide' for NHS staff and 'Right to Challenge' for local authority staff).

The White Paper highlights the need to reduce costs and burdens associated with independent providers taking on state run services, with measures including:

- Reviewing the guidance covering 'Best Value' on how local authorities can ensure that voluntary groups and SMEs are not disadvantaged in procurement and commissioning;
- Increasing transparency over 'TUPE' liabilities; eliminating pre-qualification questionnaires for central government procurements under £100,000; simplifying the procurement process; establishing a register of public sector assets; encouraging public service commissioners to break up contracts into smaller lots to give a range of providers greater opportunities to deliver different elements.

In addition, measures to develop continuity regimes to ensure continuity of provision – led by the Treasury and Cabinet Office will be developed and the

applicability of the Hospital Foundation Trust model to other public services will be considered.

## **7. Enabling open public services**

The White Paper commits Government to ‘engage with local authorities to develop a shared vision about the new opportunities and possibilities for stronger local government’ – outlining the measures taken so far, or planned, to bring this about. It also commits to accelerating the digitisation of public services, to encourage innovation, with the Government Digital Service (GDS) having the authority across central government to co-ordinate all digital activity and open up government information, applications and services.

*Any opinions expressed in this report, which is prepared for translation, are solely those of the author and do not necessarily represent those of JLGC or CLAIR.*