

## Briefing Paper

# The White Paper on Open Public Services

**November 2011**

### Introduction

In January 2011, the Prime Minister, David Cameron, said that he wanted 'one of the greatest achievements of this government to be the complete modernisation of our public services.' At the launch of the Open Public Services white paper in July, he reiterated this vision, arguing that the coalition remains as committed to public service reform 'as it has ever been'.

The Coalition government published its White Paper on Open Public Services in July 2011. When asked why open public services Deputy Prime Minister Nick Clegg and Prime Minister David Cameron have stated that there is an overwhelming imperative – an urgent moral purpose – that drives the desire to reform public services within the Coalition. They have also stated that – *'We want to make opportunity more equal'*.

The paper comes amid concern that our society is blighted by the persistent failure to extend equal opportunity, dignity and worth to all. Inequalities in access to good schools, decent healthcare, safe places to play, culture, sporting opportunities, good nutrition and so much more leave our society less free, less fair and less united.

The Coalition government feel that the forces that restrict opportunity for some inflict an injury on all. The government believe that the failure to educate every child to the maximum of their abilities is not just a moral failure to accord every person equal worth, it is a piece of economic myopia that leaves us all poorer. It is said that in a world rendered so much more competitive by globalisation, United Kingdom can no longer afford to leave talents neglected. Every pair of idle hands, every mind left uncultivated, is a burden on all society as well as a weight on the nation's conscience.

The government have stated that as with education, so with housing, healthcare, civic space and sport - chances must be created. Denying fellow citizens fair access to these goods and services weakens the bonds that keep our nation together, infringes the basic dignity of United Kingdom citizens, and holds United Kingdom back in the global race to excellence.

The government has said that to ensure that every citizen is given the opportunities they deserve; they have already moved to lower taxes for the poorest, reform welfare and make work pay.

The government want economic opportunity to be more widespread than ever before and believe their White Paper will bring this about.

But, they say that these reforms that will help to generate more wealth, and see it spread more fairly, are only part of a continued mission to make opportunity more equal.

Public services must be reformed we are told. It is only by tackling the unfairness and inefficiencies that still exist in the public sector that all can 'play fair' the government tells us.

The government tells us that:

*"All of us rely on good public services to lead civilised lives in a cohesive nation. The National Health Service is a universal service, and must always remain so. The promise of care based on need not ability to pay is inviolable. The state of our immediate environment profoundly influences the quality of all our lives"*.

But while we all have a shared interest in the best possible public services, it is known that the poorer we – or our neighbours – are, the more we rely on the state and its agencies. Those who live in our most disadvantaged communities rely most critically on the National Health Service and need most urgently to see public health improve.

Our poorest children depend most powerfully on high-quality childcare, good pre-school provision and excellent teaching to flourish in later life. Those in our most economically impoverished neighbourhoods rely most on decent provision of sporting facilities, parks and greenery close at hand to lead fuller lives. And unfortunately - at the moment they are often let down, this is something the Coalition government intends to correct in their new plans.

So reform of public services is a key progressive pledge in the Coalition cause. It is clear that the better our public services, the more those most in need will receive the help they need. The Coalition tells us that it is why those who resist reform, put the producer interest before the citizens' needs, and object to publishing information about how services perform are conspire to keep our society less free, less fair and less united.

Throughout the White Paper, it is explained just how the reforms proposed give power to those who have been overlooked and underserved. The paper also demonstrates that it is only by publishing data on how public services do their jobs that the government can wrest power out of the hands of highly paid officials and give it back to the people. The reforms we are told will mean that the poorest will be at the front of the queue.

### **'Opening Public Services in Practice'**

The aim of the government is to ensure better-quality services that are more responsive to individual and community needs. Public services are to be made more open and more freedom will be given and more professional discretion given to those who deliver them and provide better value for taxpayers' money.

There are five principles that have been set out in the Coalition government;

- **Choice** – Wherever possible we will increase choice.
- **Decentralisation** – Power should be decentralised to the lowest appropriate level.

- **Diversity** – Public services should be open to a range of providers.
- **Fairness** – We will ensure fair access to public services.
- **Accountability** – Public services should be accountable to users and taxpayers.

These five principles are linked. Their combined effect is that for the majority of public services, power will be placed in the hands of individuals and local communities where appropriate. People will be able to choose what sort of service *they* want [emphasis added] and find the best provider to meet their needs.

Some people face particular barriers to accessing good public services, so the government say they are giving disadvantaged groups extra help to ensure that they get fair access. And because choice implies the availability of different alternatives, one of the key roles of government is to ensure that any competition is free and fair, and that people have access to the information they need to make good choices and hold providers to account.

### ‘Types of Service’

In applying the principles to different public services, the government recognise that there can be no one-size-fits-all policy prescription. Different public services have different characteristics, and the proposals are tailored accordingly. Three different categories of public service have been identified as the most important for change;

- **Individual services** – These are personal services – for example in education, skills training, adult social care, childcare, housing support and individual healthcare – that are used by people on an individual basis.
- **Neighbourhood services** – These are services provided very locally and on a collective, rather than an individual, basis – such as maintenance of the local public realm, leisure and recreation facilities, and community safety.
- **Commissioned services** – These are local and national services that cannot be devolved to individuals or communities, such as tax collection, prisons, emergency healthcare or welfare to work.

The government will put the principles they have unveiled into practice by devolving power to the lowest appropriate level, determined by the type of service in question.

For **individual services**, power will be put in the hands of the people who use them; for **neighbourhood services**, power will be put in the hands of elected councils, at the neighbourhood level if that is what communities choose and for **commissioned services**, the government will open up and, where appropriate, decentralise commissioning to ensure greater quality and diversity.

For all public services where it is appropriate and whether individual, neighbourhood or commissioned the government say they will ensure that a diverse range of providers are able to offer public services.

## **‘Benefits’**

The vision the government is setting out is intended to give a clear and comprehensive approach that is easy to explain, articulates the government’s declared purpose of putting power in people’s hands and gives a firm framework for future policy development across Whitehall. To give this framework real force, the Coalition will systematically apply their principles to each category of service, addressing all public services over the life of the Parliament. This it is said will bring clear benefits for everyone involved in public services;

- **For individuals** – People will have more choice, especially in the services they need and care most about (such as education, health, care, early years and social housing); and the money to fund the services to that they are entitled will flow to providers in response to the choices that people make.
- **For communities** – The proposals will consider allowing any neighbourhood to take control of very local powers and services (such as street improvement, recreational services, parking and licensing of certain premises, other than for the provision of alcohol) via their parish, town or neighbourhood council. The government will make it easier to set up a neighbourhood council where one does not exist.
- **For local government** – The plans to decentralise the funding and delivery of public services are intended to give local councils more freedom to innovate in the services they control and greater opportunities for influence across public services in the round through leadership, such as in tackling problems experienced by families with multiple needs.
- **For public service staff** – The plans will tear up the rule book that stops public sector staff doing the job as they see fit. The government states that it will restore professional responsibility and discretion; offer public service staff new opportunities to innovate, improve and inspire; and encourage public sector staff to start their own enterprise.
- **For independent providers of all sizes from any sector** – There will be new opportunities for all types of provider to compete to deliver public services and, if successful, to innovate and expand, as purchasing power shifts to individuals, neighbourhoods and a more diverse range of commissioners.

## **‘Ensuring Fair Access’**

The Coalition believes that everyone has the right to enjoy good public services, regardless of where they live or how much they earn. This is more than an issue of simple fairness, of everyone being entitled to a certain level of service – it is also crucially important to Britain’s economic and social success that the least well-off are able to have quality public services.

The Government recognises that, even though in theory everyone has equal access to public services, the truth is different, with outcomes still varying significantly by income and social background. Despite the billions invested in public services over the years, a person's background is still a major determinant of the kind of services they get. That is unacceptable. To correct this it is thought that there is a need to give people who are vulnerable or disadvantaged extra help so that they have an equal opportunity to benefit from the services the state funds. It is the right thing to do and it is the efficient thing to do: effective public services can rescue troubled families from the intergenerational spiral of disadvantage that blights lives and costs taxpayers billions; high-quality public services can liberate people to meet their potential and bring huge benefits to their families, society and the economy more widely.

It is believed that more open public services have the potential not only to raise the average performance of public services but also to narrow the gap between outcomes for different social groups. But this will only happen if it is recognised that there are limits to a pure market approach, and if government intervenes in public service markets to advantage those who would otherwise lose out. Therefore the government is establishing financial incentives and regulatory interventions to tilt the playing field to ensure fair opportunities. The Coalition recognises that there is a need to act to enable schools to prioritise children from deprived backgrounds in their admissions procedures, and to prevent, for example, 'cream-skimming' of easier-to-treat patient groups by new providers in the National Health Service.

**Fair access: the key policies that are already in the process of being implemented include;**

- *Pupil Premium* – From the moment they start school, the government will provide extra funding for every pupil who is known to be eligible for free school meals. This will enable schools to spend more on their education. The Pupil Premium, introduced this year, is worth £430 per child and will increase in value over the life of this Government;
- *School Admissions* – The School Admissions Code ensures a fair and straightforward admissions system that promotes equity and fair access for all. There are currently ongoing consultations to make the school admissions process simpler, fairer and more transparent for all parents;
- *English Baccalaureate* – To give poorer students an equal chance of making it to the best universities the government have also introduced the English Baccalaureate – a measure of performance in the crucial GCSEs: maths, English, the sciences, languages and humanities such as geography and history. These are subjects that open the door to studying at top universities, they are the subjects dominated by the independent sector and they are the subjects in that the poorest students need better teaching if they are to succeed. Last year only 8 per cent of pupils eligible for free school meals took the English Baccalaureate, with 4 per cent achieving it, while 24 per cent of other pupils took the Baccalaureate and 17 per cent achieved it. This very real gap in opportunity was previously hidden behind the more limited information made available in the performance tables;

- *Financial Support for 16–19-year-olds* – The Government has announced a new £180million bursary scheme to help disadvantaged 16–19-year-olds continue in full-time education. The most vulnerable – young people in care, care leavers, those receiving income support and those receiving both Employment Support Allowance and Disability Living Allowance – will be eligible to receive an annual bursary of £1,200 if they stay on in education. This is more every year than they ever received under the previous Education Maintenance Allowance. Beyond this, schools and colleges will be able to award discretionary bursaries to young people facing financial barriers to participation. The new arrangements will help ensure that the costs of travel, food and equipment for poorer students are properly met, so that no-one is prevented from participating in education through poverty.
- *Rural Access* – There are important issues of fairness for people in rural areas accessing individual services, including ensuring that there is sufficient diversity to give people meaningful choice and targeting funding to address the higher cost of providing services in remote areas with less well established infrastructure. The Government's forthcoming 'Rural Statement' will include measures that will help to address these issues, such as promoting the sustainability of Rural Offices (limited postal services within village shops), and rolling out super fast broadband to rural areas. This will open up new types of services (for example, telecare and telehealth) and create new opportunities for providers to deliver services online;
- *Public Health and the new Health Premium* – The new local public health system, in that local authorities will be funded through a ring-fenced grant, will be weighted to take account of inequalities. Local authorities will also receive an incentive payment, the Health Premium, according to progress made in improving the health of the local population – especially the most disadvantaged groups – based on elements of the Public Health Outcomes Framework;
- *General Practitioners taking on deprived patients* – General Practitioners can make a real difference to tackling health inequalities and improving the health of our most disadvantaged communities. There is clear evidence about the beneficial effects they can bring, whether you look at benefits coming from the Quality and Outcomes Framework in the General Practitioner Contract or the benefits from increasing the number of primary care clinicians in deprived areas. Government reforms propose to empower General Practitioners as both commissioners and direct providers of care so as to be able to better tackle these problems;
- *The National Scholarship Programme* – Provides funding for universities and colleges so they can offer scholarships to encourage more young people and adults from poorer backgrounds to participate in higher education. Worth at least £3,000 per eligible, full-time student, with pro-rata awards for part-time students, scholarships can be awarded to support accommodation costs, offer discounts on courses or as a financial bursary of up to £1,000. The Government is funding the Programme with £50million in the first year (2012/13), rising to £100million in 2013/14 and £150million in 2014/15. Institutions will be expected to match the Government's contribution;

- *Office for Fair Access* – the Office for Fair Access is an independent public body that helps to safeguard and promote fair access to higher education. The main way it does this is by approving and monitoring ‘access agreements’. All institutions that intend to charge more than the basic £6,000 annual tuition charge from 2012/13 have to demonstrate to the satisfaction of the independent Director of Fair Access what more they will do to attract students from under-represented and disadvantaged groups. Ministers at the Department for Business, Innovation and Skills wrote to the Director of Fair Access on 10 February 2011 setting out the Government’s expectations about how he should approach the approval and monitoring of new access agreements;
- *Differential rates for student support* – There is a comprehensive range of student support available, with the most generous package targeted at those who need it most. All eligible students can access a minimum level of living cost loan, with higher levels of loan and a variable amount of non-repayable grant available to those with the lowest household incomes.
- From September 2012, students with a household income of under £25,000 will have access to the full non-repayable grant of £3,250. Combined with their maintenance loan entitlement, this brings their total support to £7,125 per year – or more if they are living away from home and studying in London. Taken together with up-front loans to cover the cost of tuition and repayment terms that protect the lowest earners, this means that higher education should be accessible to all, regardless of their background.

### **‘Neighbourhood Control’**

Where services are provided collectively and for the benefit of the entire neighbourhood or community, rather than for an individual or a collection of individuals, the government plan to look to neighbourhood councils (parish, town and community councils) to take over the running of a community service, as this offers democratic accountability at the most local level.

It is already possible for principal local authorities to delegate functions to a neighbourhood council. The government propose to consult on the scope for enabling neighbourhood councils (i.e. parish, town and community councils) to take greater control over local services. This will focus on the local public realm, leisure opportunities and community activity and could include: street improvements, parking and traffic restrictions; local libraries; local museums and arts; sports, local parks and leisure facilities; licensing of certain premises other than for the provision of alcohol; minor bye-laws and lower-level anti-social controls; and community grants. Any empowerment of neighbourhood councils to take on these services would need to fit into a local scheme of delegation, developed in consultation between the principal local authority and the proposed new neighbourhood councils. The government say they will consult on how a national framework for these local schemes could assist councils at all levels to promote decentralisation of power. If neighbourhood councils take greater control of their local area, the government believe that this will encourage demand for new councils in those, largely urban, areas that are not currently parished.

It is known that this is an ambitious agenda that the Coalition has set forth – many neighbourhood councils are not used to this sort of power and many areas do not even have neighbourhood councils yet. This is a long-term vision and will be driven bottom-up by the motivation and capability of councils in different neighbourhoods. The Government will also explore how the financial framework for neighbourhood councils can be improved, to ensure that local taxpayers can have confidence that delegation of services represents good value for money. This will include examining the use of existing revenue raising and borrowing powers, accountability mechanisms, and exploring options for improving the capacity and delivery capability of neighbourhood councils.

In practice in the urban areas it may prove to be prosperous suburban areas that will establish neighbourhood councils and demand the transfer of powers to them from the City or Borough Council.

**Neighbourhood Control: the key policies that are already being implemented include:**

- *Neighbourhood planning* – Changes to the planning system, set out in the Localism Bill, will give every neighbourhood the chance to take charge of planning in its area. Local residents will be given the chance to approve or reject neighbourhood plans in local referenda;
- *Beat meetings* – Police forces will be required to hold regular neighbourhood beat meetings so that residents, armed with data on local patterns of crime, are able to challenge the police on the service they provide;
- *Neighbourhood councils* – In addition to the delegation options set out above, the government say they will investigate making it easier to establish new neighbourhood councils and groups, and look at how other neighbourhood forums (for example those set up to put together neighbourhood plans under our planning reforms) can become neighbourhood councils;
- *Inclusive participation* – The government are looking at ways to provide additional support for disabled people wishing to seek elected office.

A briefing paper on the government's Draft National Planning Policy Framework is available on the 'AWICS' website at:

[http://www.awics.co.uk/documents/briefing\\_papers/public\\_administration/Draft\\_National\\_Planning\\_Policy\\_Framework\\_28-10-2011.pdf](http://www.awics.co.uk/documents/briefing_papers/public_administration/Draft_National_Planning_Policy_Framework_28-10-2011.pdf)

**Neighbourhood Community Budgets**

Community Budgets are intended to offer people the freedom to do things differently in their own neighbourhoods. They enable areas to bring together the money, people and other resources needed to tackle local issues and improve services. They also provide a basis for much more integrated ways of managing local services, with residents and service providers working together to design and commission services around the community's priorities. The Government has been supporting thirteen areas to move towards more integrated budgets and services in neighbourhoods.

As part of the second phase of the Local Government Resource Review, the Department for Communities and Local Government and the Cabinet Office will work with two areas to enable local residents to play a part in commissioning the neighbourhood-level budgets and service solutions for their priorities, alongside other public bodies. This will give these communities more power to shape and control the services that matter to them directly, and should help to show the way for other areas that are interested.

Good local area commissioning (community commissioning) sees the local authority and other public services involving communities, local partners and providers to decide collectively how to get the very best outcomes from the resources available. The Government is supporting neighbourhoods to take this further by developing community commissioning models such as Local Integrated Services (LIS) – where local people are at the centre of the local commissioning process – with a view to saving resources and improving outcomes.

For example, Calderdale Borough Council is handing over £0.25million to a resident-led partnership in Halifax and Mixenden to deal with a range of cleaner, safer, greener issues. This is a radical approach that takes service redesign and budgets below local authority level – indicating that local people can be service commissioners and designers as well as providers.

A briefing paper on Participatory Budgeting is available on the 'AWICS' website at:

[http://www.awics.co.uk/documents/briefing\\_papers/finance/Participatory\\_Budgeting\\_16-02-2011.pdf](http://www.awics.co.uk/documents/briefing_papers/finance/Participatory_Budgeting_16-02-2011.pdf)

### **Public Finance Response -What about the workers?**

It was argued in 'Public Finance' by Will Tanner, a researcher at the Independent think tank Reform, that if the government is to modernise public services, it must first modernise the outdated employment culture within them.

If it is to achieve this vision the government must first reform the corrosive employment culture that prevails within much of the public sector. As Reform's new report on the public sector workforce, *Reformers and wreckers*, shows, the current picture is one of outdated employment policies that are not just bad for taxpayers but are also often bad for public sector workers themselves.

First, public servants are poorly incentivised. For nearly 60% of public sector organisations the primary reason for awarding pay rises is length of service, compared to just 8% in the private sector. Only 40% of public sector organisations offer bonus schemes, against more than 80% among private sector organisations. The result is an 'entitlement culture', where what matters is how long you have been in the job, rather than how you perform in it.

Second, the workforce is poorly managed and resistant to change. Evidence shows that many managers in the public sector lack the relevant management expertise, especially in financial terms, and fail to effectively confront poor staff performance. Evidence suggests that more than 60% of government organisations are seen to tolerate poor performance of staff, compared to less than 40% in the economy as a whole.

Third, public sector workers are themselves dissatisfied with the current system. Data from the Chartered Institute of Personnel and Development has shown that public sector employees are disengaged with their organisation and dissatisfied with their managers, compared to net approval ratings in the private and voluntary sectors. Furthermore, public servants are far more likely to be absent from work, losing nearly ten days per employee a year, against under seven in the private sector.

Yet, visionary public service leaders have shown that it is not only possible to transform the public sector workforce in times of budgetary restraint, but that it can have profound effects on the quality of public services. Merseyside Fire and Rescue, for example, halved the number of domestic fires while reducing its number of fire fighters from 1,500 to fewer than 900, by moving from a traditional model to an innovative programme of safety and prevention. Similarly Greater Manchester Police's decision to move to a 'New Policing Model' based around neighbourhood policing and streamlined management has had a dramatic effect on response times and led to savings of £11.7million a year.

### **Local Government Information Unit Response**

Jonathan Carr-West, Director of the Local Government Information Unit said;

*"The key to delivering the choice and local control the Prime Minister wants is to break the budgetary stranglehold of the big Whitehall departments – a point made clearly in the Communities & Local Government structural reform plan but yet to be delivered on.*

*"At present Communities & Local Government is the only government department actively pushing community budgets. This needs to become standard practice across Whitehall and the resulting pooled budgets used to support the open services approach. Without this there is a real danger that a more diverse public service supply side will be fragmentary and ineffective.*

*"There are also important issues around accountability. The Prime Minister talked about new forms of accountability through the exercise of consumer choice, but this must operate alongside, not in competition with, the exercise of local democracy.*

*"Giving power to citizens and communities to shape the public services they use is an important objective. David Cameron said 'other governments pay lip service to localism we're really doing it' but it is only as individual departments formulate their implementation plans that we'll see whether this is really true".*

**Adam M. Waite**  
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### **About 'AWICS'**

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