

## Open Public Services White Paper

### Voice4Change England briefing paper, August 2011

The Open Public Services White Paper brings together Government's plans to reform public services. By 'open' public services Government means: giving people more control over the services they receive and opening up delivery of public services to new providers. The White Paper is part of a wider programme of reform for public services. It is informed by responses to the Modernising Commissioning Green Paper (to be published shortly) and public service reform consultation.

Government is seeking views on the White Paper through a 'listening period' from July to September. Proposals to take forward the White Paper will be set out in November. The White Paper asks a number of questions. You can respond online either by directly answering the questions or providing general comments: <http://www.openpublicservices.cabinetoffice.gov.uk/>

#### **How can public services be improved for BME communities?**

Voice4Change England will be submitting a response to the consultation. Let us know your views and help us make the BME voluntary and community sector (VCS) voice heard. In particular:

1. Are there any barriers for BME communities in taking direct control of services, i.e. through direct payments, personal budgets, entitlements or choices? How can they be overcome?
2. How can BME communities be better represented by local elected bodies and consumer champions?
3. What support do BME voluntary and community organisations (VCOs) need to work with personal budgets?
4. How can a level playing field for BME VCOs be created in commissioning?
5. What minimum standards for equality does central Government need to provide?

To respond email Jemma Grieve Combes at [jemma@voice4change-england.co.uk](mailto:jemma@voice4change-england.co.uk) or call 020 7843 6129.

**About Voice4Change England:** *Voice4Change England (V4CE) is a national advocate for the Black and Minority Ethnic voluntary and community sector (BME VCS). BME voluntary and community organisations (BME VCOs) are a crucial part of civil society that have emerged from and work for BME communities. By supporting the BME VCS we aim to improve the life outcomes for BME and other disadvantaged communities. As the only national membership organisation dedicated to the BME VCS we speak up to policymakers on the issues that matter to the sector; bring the sector together to share good practice; and develop the sector to better meet the needs of communities.*

## Introduction

Government want to reform public services to modernise delivery and respond to the economic climate. They believe that despite examples of excellence, there is under-performance in public service delivery, caused by an out-dated approach to organising public services. They want to increase individual choice and involvement in service provision and diversity of provision. A key driver is competition, which Government believe will improve performance.

The Paper is wide ranging, touching on the breadth of public service delivery. It does not set out a detailed strategy but sets out the Government's principles for reform, outlines what is already taking place; and talks broadly about future plans.

## Principles for public service reform

The White Paper outlines five principles of public service reform:

1. **Increasing choice:** to give people direct control over services, for example, through personal budgets. Where this is not possible to give elected representatives more choice about who provides services and how.
2. **Decentralisation to the lowest appropriate level:** to devolve power and choice to individuals or representative bodies such as neighbourhood councils, local authorities, or Police and Crime commissioners.
3. **Diversity of provision:** to increase the range of providers of different sizes and sectors, including the public sector, VCS and private sector.
4. **Fair access to public services:** to give extra help and resources to those who are disadvantaged.
5. **Accountability:** to increase accountability for users and taxpayers through mechanisms of choice, transparency and voice.

## Types of public service

Public services are split into three different categories in the White Paper.

- **Individual services:** services used by people on an individual basis such as education, adult social care, childcare and housing support.
- **Neighbourhood services:** services provided locally on a collective basis such as waste collection, leisure facilities and community safety.
- **Commissioned services:** local and national services such as tax collection, prisons and emergency healthcare.

**Individual services:** Reforms of individual services aim to give people greater power to choose services for themselves. Government will establish a framework for choice in adult care, education, skills training, early years, other

children's services, family services, health and social housing. Frameworks will ensure:

- **Funding follows individual choices:** through mechanisms such as direct cash payments; personal budgets; vouchers; tariff payments; loans and entitlements. This is already being implemented in areas such as adult social care.
- **Fair access:** Regulatory and financial incentives will be used to give people who are vulnerable or disadvantaged an equal opportunity to benefit from services. This includes contracts only allowing selection of client groups where this explicitly advantages the disadvantaged and existing measures such as the pupil premium giving schools extra funding for pupils eligible for school meals; and a Health Premium incentive payment for local authorities based on progress made on health outcomes, especially for disadvantaged groups.
- **Open data to support choice:** All public service providers, including VCOs will provide key data such as user satisfaction, spending, performance and equality, publically, in an accessible form.
- **Clear minimum standards:** Government will continue to play a role in defining outcomes and setting standards. It will ensure that all individual service providers are licensed or registered by the relevant regulator for their sector, i.e. the Care Quality Commission.
- **Routes to redress if choice is not available:** Government is looking at the powers of Ombudsmen to investigate complaints, promote local resolution, and specify remedial action if needed. It also wants to increase service user voice through elected Champions such as Councillors and unelected Champions such as consumer organisations.

**Neighbourhood services:** Where communities use a service collectively Government wants to either give people direct ownership of the service or greater democratic control.

- **Community ownership:** Government is giving rights to people to take over and run services themselves, including the community right to buy; community right to build; and community right to challenge. There will also be a notice of funding changes, which will set out expectations of how local authorities should work with the VCS.
- **Local democratic control:** Government want to increase the powers of neighbourhood councils such as parish, town and community councils, to run local services such as leisure opportunities. This includes plans in the Localism Bill for neighbourhood planning. Little is said on how to ensure inclusive participation, other than that Government is looking at ways to provide additional support for disabled people wishing to seek elected office.

- **Neighbourhood Community Budgets:** Community Budgets are where funding is pooled at a local level to work across funding silos and give freedom to redesign services and tackle complex social problems. 16 areas have trialled community budgets to work with families with complex needs and this is being rolled out to other areas. Local Integrated Service models are being piloted in 13 areas where budgets are pooled and residents and service providers co-design and commission services around the communities' priorities. Building on this, two areas will be selected to help co-design neighbourhood level Community Budgets where residents can say what services they want, how they should work and whether they want to run them and two areas will be selected to help co-design a Community Budget which pools all funding on local public services from the area.

**Commissioned services:** For these services decision making will be retained by the state, but where possible, the state will commission rather than provide the service. Benefits cited for this include: encouraging new innovative providers; introducing payment by results or incentives to support particular social groups; and the ability to split services into specialist functions. In some areas an 'open commissioning' policy will be introduced where commissioners should consult potential providers including VCOs on the shape of future services; consider at least 3 providers; and link payment to results.

Payment by results is particularly preferred as a way to ensure providers deliver good services and are accountable to users. Government recognises that some outcomes take a long time to deliver and so proxy outcomes may need to be used in contracts. Where payments by results are used the service will also be monitored closely to ensure services are not allowed to fail simply because commissioners will not have to pay.

## Accountability and transparency

To ensure open public services are accountable the White Paper focuses on choice, transparency and voice. Specific mechanisms are proposed for organisations involved in public service delivery at different levels including:

- **Contractual requirements:** For commissioned services, payment by results will be used as a direct financial incentive to ensure providers deliver good services and are accountable to users.
- **Accreditation:** for commissioned services, Government will consult on creating accreditation and independent expert bodies like the National Institute for Health and Clinical Excellence.
- **User voice:** Government wants to see greater user voice in designing and managing services. User rights of redress will be strengthened so

users can hold commissioners to account and the role of Ombudsman explored in individual services. User satisfaction ratings are also hoped to increase user voice.

- **Inspection and regulation:** independent audit and inspection bodies (i.e. National Audit Office) will have a role in holding commissioners to account and all individual service providers will need to be licensed or registered by the relevant regulator for their sector.
- **Independent champions:** Government wants to encourage consumer champions (i.e. Which?) to push for increased quality and choice in individual services and to hold commissioned services to account (i.e. TaxPayers' Alliance)
- **Open data:** The White Paper focuses on Open data as a way to improve transparency and accountability at all levels.
  - Central Government is extending the data it publishes and taking steps to improve the quality of data. A new right to data will mean that where useable datasets about public service performance and funding are not being published they can be requested.
  - Individual service providers will need to publish key data on user satisfaction and performance.
  - Providers of commissioned services will be required to publish data about the different social groups who use their service in order to monitor any inequalities as well as information on performance, quality and value for money. Government will consult on whether providers in all sectors including private companies and VCOs should be subject to the same transparency requirements.
  - Local authorities now have to publish spending details of items, including contracts and tenders, over £500. VCOs and other providers will have access to public sector contract and procurement data. In addition there will be greater transparency in spending decisions so that communities can see where reductions in public spending have fallen and whether they disproportionately impact the VCS.
  - Courts will publish sentencing data by November 2011 including age, gender and ethnicity of those sentenced.
- **Public participation:** Government will explore how providers can enable greater user participation or management in commissioned services.
- **Democratic oversight:** For individual services, local overview and scrutiny processes will scrutinise choice and quality. The role of elected office-holders to champion citizen's rights will be explored for both individual and commissioned services. For commissioned services, roles will be played by parliament; representative bodies of professionals and

local councils i.e. Health and Wellbeing Boards; and new democratic structures such as elected Police and Crime Commissioners.

The White Paper outlines that where providers fail the state should identify this and intervene. Principles are set out for this including giving organisations support to turn around performance in the first instance.

### **Increasing diversity of provision**

To increase diversity of provision Government wants to both give greater autonomy to public sector organisations and enable independent providers, like VCOs, to provide services.

**Greater autonomy for public sector organisations:** To give Local Authorities more power, policies have been introduced including: general power of competence; end of ring fencing of local government revenue grants (excepting schools and public health); scrapping Local Area Agreements; and community budgets. Further central Government functions may be devolved including skills and services for families with multiple problems.

Government wants to 'free up' those already working in the public sector to deliver better public services. This may involve increasing autonomous providers such as leisure trusts; encouraging joined up working; sharing services to create economies of scale; and acquisitions by VCOs. Mutualisation is a particular focus with the proposed Right to Provide for public sector staff, which gives staff new rights to form mutuals and bid to take over the services they deliver.

Government also aims to make the public sector more effective by reducing targets and paperwork. Amongst other measures it has scrapped Public Service Agreements and scaled back vetting and barring requirements. The Red Tape review is already looking at how to reduce regulation. Equality legislation is not mentioned in the White Paper though it has been included in the Red Tape review. The White Paper says that much regulation is essential or desirable. Voice4Change England have been campaigning to ensure Equality legislation is viewed as the former.

**Enabling independent providers:** Government will review barriers to providing public services with the aim of creating a level playing field for all providers. It commits to addressing barriers affecting small independent providers. Particularly welcome is the statement that Government will encourage commissioners to break up contracts into smaller lots.

The White Paper includes a number of measures to improve commissioning including:

- A national training programme for commissioners.
- Aims to eliminate Pre-Qualification Questionnaires for central government procurements under £100,000.
- Allowing councils to consider overall value rather than just cost in spending decisions (though this is not stated as a requirement)
- A potential right to appeal for independent organisations where they feel that they have been unfairly precluded from a commissioning process.

## Equality

The Government has positioned public service reform as an opportunity to benefit the poorest in society, as they rely most heavily on public services. It talks about creating equality opportunities and tackling unfairness. However the need to promote equality is not specifically referred to. In particular it is unclear how Local Authorities will manage responsibility for the Equality Act Specific Duties in personal and commissioned services and what role providers will play; and whether neighbourhood councils that emerge from neighbourhood forums will be subject to the Equality Act Specific Duties.

## Government's consultation questions

Some of the key questions for BME voluntary and community organisations asked in the White Paper are listed below. See <http://www.openpublicservices.cabinetoffice.gov.uk/> for a full list.

1. How best, in individual services and on a case-by-case basis, can we ensure that people have greater choice between diverse, quality providers?
2. Consistent with the Government's fiscal plans, what further opportunities exist to target funding to help the poorest, promote social mobility and provide fair access to public services?
3. How can we ensure that people are aware of, and can exercise, their right to choice effectively in specific services, through choice champions, choice prompts, data and a possible new role for Ombudsmen?
4. How do we ensure appropriate accountability for services run by communities to ensure that those not involved directly are not disadvantaged?
5. What new skills and training will commissioners need?
6. How do we ensure a true level playing field between providers in different sectors?
7. How should government regularly review the barriers to entry and exit for providers?