



Open Public Services White Paper: A Summary

The White Paper argues for a new approach to public services - opening up public services markets, giving users more control and encouraging innovation to drive better services for all. This means breaking down barriers (regulatory and financial) to level the playing field, providing fair funding on the basis of quality and extending accountability to all organisations receiving public funds. This approach is based on five principles:

- Increased choice wherever possible
- Public services should be decentralised to the lowest appropriate level
- Public services should be opened up to a range of providers
- Fair access to public services
- Public services should be accountable to users and to taxpayers

The paper classifies public services into three categories:

Individual services – personal services used on an individual basis (e.g. education, social care).

Neighbourhood services – local services provided on a collective basis (e.g. community safety)

Commissioned services – local and national services that cannot be devolved to individuals or communities (e.g. tax collection, prisons, welfare to work).

Putting the principles into practice, the paper proposes devolving control to the lowest appropriate level. For individual services this means service users; for neighbourhood services this could mean elected councils; and for commissioned services the government will open up, and decentralise, where appropriate, commissioning to drive up the quality and diversity of provision from all sectors.

For individual services the paper proposes:

- Funding should follow user choice under frameworks derived from the above five principles.
- Key service data (including provider performance) must be made public.
- Providers will be licensed or registered by the relevant regulator to ensure minimum standards; individuals will have a form of redress if choice is not available or low standards (potentially through the three public service ombudsmen). The government also will look to encourage independent consumer champions to advocate for consumers and act as 'agitators for choice'.
- The government will consult on how to drive continual service improvement and potential ways to establish zero tolerance of failure on a service-by-service basis.

For neighbourhood services:

- The Localism Bill will give people new rights to deliver services and take control of assets.
- Government will consult on how to promote decentralisation and assist Neighbourhood Councils (e.g. parish/town/community councils) to take on some key local services.

- Community Budgets and Local Integrated Service models are seen as vital ways to drive these changes.

For Commissioned Services:

- Government will examine where the separation of purchasers from providers makes most sense to encourage innovation and diversity of provision. They will also consult on where there is a clear case that decentralisation would improve value for money.
- Government will consult on an 'open commissioning' policy for specific services where commissioners should - consult on and be challenged by potential providers on the service shape; seek and consider a minimum of three providers from whichever sector; and link payment to results.
- They will consult on establishing accreditation bodies based on the National Institute for Health and Clinical Excellence, explore the creation of independent expert bodies in public services and create an annual prize for public service innovation.
- Payment by results will be critical to drive up the quality of central government services. For longer term services, commissioners will need to identify proxy outcomes.

Ensuring diversity of provision and reform

The government will regularly assess barriers to entry and exit for all providers. The government will keep VAT barriers under review and encourage commissioners to disclose TUPE liabilities at an early stage during a commissioning process. Fair Deal is recognised as a significant barrier and a response to the consultation is due later this year. Government will consult on an area by area basis whether providers have sufficient right to appeal to an independent adjudicator when they feel they have been unfairly treated. The paper commits the Government to explore where it is more appropriate to introduce transparent pricing to increase competition on the basis of quality rather than price.

To drive up provider diversity, Government will consult on how to extend autonomous status to more public sector bodies (particularly the applicability of the Foundation Trust model to other services) and whether voluntary sector organisations can be supported to acquire current public sector providers that would operating more effectively as a charity.

The Government will consult on how to unlock new sources of investment to improve public services and how to reduce service fragmentation. Furthermore Government will explore legislating to enshrine an overarching right to choice in individual services.

The paper states that the VCSE should not bear a disproportionate burden from reductions in public spending, so there will be greater transparency in spending decisions and the PM and DPM will meet and recognise the 10 local authorities that are most supportive of the VCSE sector.

Next steps

There will be a listening period between July and September 2011 (online at www.openpublicservices.cabinetoffice.gov.uk). In November the Government will set out how departments will put the principles into practice to open up public services over the parliament, including proposals for legislation. From April 2012 departments will publish regular progress reports on the steps taken to open public services.