



## Call for evidence on public service reform

Open date: Friday 26<sup>th</sup> November 2010

Closing date: Wednesday 5<sup>th</sup> January 2011

### Your views

Thank you for your interest. Your views on how these reforms can be implemented successfully are very important. The Government wants to gather your views and insights on how reforms could be successfully implemented.

The Government invites anyone with an interest, particularly frontline staff, managers and independent providers of public services, think tanks and users of services to share their views and insights on how these reforms could be successfully implemented.

In particular, if you would like to contribute your views, suggestions and expert knowledge on where these reforms could improve a specific public service, based on your experience of running or managing a service, the Government wants to hear from you!

You are encouraged to submit case studies / examples of how reforms can be successfully implemented in a particular service area. Please include the following information in your example:

- Description of service
- Rationale behind changing delivery of this service
- Steps to implement the reform
- Challenges and how to overcome them
- Comments on how this reform could be applied elsewhere

### Submitting your responses

You are requested to focus your responses on the question and provide relevant suggestions using the framework above to structure any case studies you wish to submit. Any responses that are not directly relevant or linked to the question or are offensive or contain party political material will not be considered.

Please complete the cover sheet and return your response and any accompanying documents to: [reform@hmtreasury.gsi.gov.uk](mailto:reform@hmtreasury.gsi.gov.uk)

Or post your response to: Strategy, Reform and Productivity Team, 1/E2, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ.

The deadline for submitting formal evidence for the White Paper is Wednesday 5<sup>th</sup> January. The paper will be published early next year.

## **Publication and handling of responses**

The Government will provide a list of the organisations that respond to this call for evidence and a summary of the responses received. Names of individuals or personal details will not be made public. Any responses that are potentially unlawful (i.e. defamatory or possibly libellous content), are offensive, contain party political material or are not directly relevant to the questions being considered will be deleted.

## **Legal framework**

Information provided in response to this informal consultation will be dealt with in accordance with the access to information regimes. These are primarily the Freedom of Information Act (2000), the Data Protection Act (1998) and the Environmental Information Regulations (2004). Please note that each representation has the potential to be made public.

Evidence and analysis is subject to disclosure under the Freedom of Information Act. If any of the evidence or analysis submitted to the review is confidential or you do not want it to be disclosed, please clearly mark these sections of the evidence and explain why and this will be considered in relation to exemptions in the Act. Please note that information marked confidential will not necessarily be exempt from release under the Freedom of Information Act.

## **Background**

The Spending Review set out the Government's ambitions for the future of public services, focused on shifting power away from central government to the local level – to citizens, communities, and independent providers, so they can play a greater role in shaping services. These principles help build a society where everyone plays their part – the Big Society.

Building on major reforms in schools, the NHS, welfare and justice, the Spending Review announced that the Government will develop further policies that shift power to the users of public services and support the judgement of public sector professionals. These plans will also allow greater diversity of service provision and introduce new forms of accountability so that underperformance is no longer tolerated.

## **Policies and questions**

The Government is committed to improving and transforming core public services. Your views and advice will help the Government to learn lessons from the past and inform future policies.

The Government particularly wants to explore where the following policies could drive reform further in a range of service areas:

- Promote independent provision in key public services
- Develop new rights for communities and public employees to buy and run services
- Attract external investment and expertise into the public sector to deliver better and more efficient services
- Extend innovative payment and funding mechanisms, such as personal budgets and payment-by-results commissioning in more areas
- Increase democratic accountability at a local level
- Maintain continuity of service and manage risks in light of these reforms

**Promote independent provision in key public services** (e.g. voluntary and community organisations, social and private enterprises) so that the state is no longer the default provider and providers have more freedom to deliver the services that communities and individuals need. Increasing the diversity of provision can drive innovation and efficiency by increasing competition and consumer choice and can deliver improvements in value for money and outcomes. The White Paper will look to set proportions of specific services that should be delivered by non-state providers including voluntary groups.

1. How can the diversity of provision in public services be increased? For example, could setting proportions of services to be provided independently support this aim?
2. What do you see as the main barriers to increasing diversity of provision and how can these be overcome?
3. Which services do you think could benefit most from a greater range of providers?

**Develop new rights for communities and public sector employees to provide services** empowering them to take more control over services where they can do a better job. Public employees across a range of services will be granted “rights to provide” their services to their current employer under contract. This will mark a radical decentralisation of power away from Government, and create the right incentives for public service workers to use additional freedom to innovate and improve the services that they deliver. In addition the Localism Bill is expected to provide a package of related measures including a right for community and voluntary sector organisations to challenge local authorities where they believe they could run services differently or better.

4. How could giving public employees “rights to provide” operate across different parts of the public sector and how could Government make it easier for employees to act on this?
5. Where and how could new forms of organisation or finance be used to support “rights to provide”?
6. How could giving communities and voluntary and community organisations the right to challenge be implemented across the public sector more broadly? What public bodies and which specific public services might this include and which would not be appropriate?

**Attract external investment and expertise into the public sector to deliver better and more efficient services.** As the public sector implements the deficit reduction plan and reform programme set out at the Spending Review, the White Paper will seek to identify public services where outcomes and value for money can be improved by the injection of third party capital and expertise. The White Paper will investigate innovative equity investment opportunities in these areas so that the opportunities and risks of public service reform can be shared. This will support the Government’s objective that the state should no longer be the default provider of public services, by allowing new providers to access the resources they need.

7. Can you identify specific opportunities for bringing private sector investment and expertise into the delivery of public services? Please provide us with examples of how this might be achieved.

8. What barriers are there to realising these kinds of opportunities? How can they best be overcome?

**Extend innovative payment and funding mechanisms** to devolve purchasing decisions to the appropriate level, embrace greater integration of funding, and provide measures of accountability by increasingly focussing on the outcomes delivered from publicly funded programmes.

Such mechanisms - including personal and community budgets, and payment-by-results - offer opportunities to empower users and commissioners to allocate resources in flexible ways to meet their needs, and to encourage providers to run more efficient and effective services.

However, we are well aware that many demand-side and supply-side factors will influence the design of different payment and funding mechanisms. Government is seeking evidence and views on the relative importance of the different design principles that should be considered.

9. Where have personal budgets been successful and why were they successful? Should Government have done anything differently in these cases?
10. Are there specific areas of public services where the use of personal budgets should be introduced or expanded? Are there barriers to successful implementation and how can they be overcome?
11. In which areas of public services is it most appropriate and feasible to link the payments received by providers to the results they deliver? In these areas what is an appropriate balance between payment for activity (outputs) and payment for outcomes? And how might this change over time as public service providers and markets develop?
12. How can the Government increase the use of payment by results mechanisms in these areas? For example, could setting proportions of services to be paid by results work?
13. How should funding models such as personal budgets and payment by results be linked to other commissioning structures, for example the role of local authorities and the integration of funding through the formation of community budgets?

**Increase democratic accountability at a local level.** The White Paper will set out how we intend to move services from a culture of 'bureaucratic accountability,' where public services look upwards to serve Whitehall and central government, to a culture of democratic accountability, where public services are accountable to those whom they serve at a local level.

This can include both a new and dynamic supply side, with multiple providers from the private, public and not-for-profit sector, so that individuals can choose the service that best fits their need and hold them accountable through choice. In some areas, it can also mean the introduction of elected individuals and bodies. While in others, it can mean strengthening accountability through the provision of information so that local people can understand more about the services which are provided in their area.

14. Do you have examples of services that are currently overseen at a national level which you believe should be decentralised to a more local level? In your example, who would be best placed to be democratically accountable?

15. Do you have examples of where the accountability of local services would be improved through an expansion of representative democracy (either an elected individual or a group to oversee provision)?
16. How can Government support local groups to become more involved in holding services to account through greater participation? What barriers currently exist?
17. Do you have examples of services where a monopoly of provision is undermining accountability, choice and competition at the local level?
18. What specific data or information would you like to see made publicly available in order to help individuals and local communities hold services to account?

**Maintain continuity of service and managing risks in light of these reforms** to ensure that public services are provided consistently and to a high standard. The Government's reform agenda will introduce market-based delivery and innovative funding mechanisms across the public sector. Fully functioning markets require free entrance and exit for providers. In this context it is important for the Government to consider how to ensure continuity of the essential services that the public expect and deserve.

19. Are there any circumstances in which the Government should act when local services are failing to deliver the quality that is desired, or are experiencing financial difficulty? What action should it take in these circumstances?
20. In a market-driven service environment, are there circumstances in which the Government should be monitoring the financial health and service level of delivery organisations or should this responsibility rest with another body? Where this should be the Government's responsibility, what is the appropriate information for Government to collect and when is it appropriate for any action to be taken?