

Response to Open Public Services White Paper Posted to Cabinet Office website – 29th September 2011

The following bullet points summarise the principle comments of VCS organisations in the East Midlands made during the consultation period through a range of different mechanisms. In total, 43 different organisations responded to the One EM call for input.

Overview

OPSWP is focussed on the devolution of power, decision making and budgets that relate to the delivery of public services to the lowest possible level and wherever possible to the individual.

In general the devolution of power was felt to be positive but all felt that this is costly and difficult to achieve during a period of national austerity. Devolving services mustn't be a cover for budget cuts and service loss.

In the context of reduced spending it is felt that changing the system to an unknown is not sensible – most people would rather see investment and increased accountability in the existing system and existing service providers brought to a similar quality standard. For example, a parent would rather know that their local school performs just as well as the others in the vicinity rather than have the choice and complex decision between 4 or 5.

In short:

- no to neighbourhood councils
- too much change all at once
- don't use it to save money – will require much resource / time investment.

The proposals in the OPSWP are set out along 5 principles – comments relating to those principles were:

1) Increasing Choice

- Forced choice is not welcomed – any opportunities for choice must have support, be given adequate time and information and the option to 'change your mind' if the decision does not work out.
- Most people access public services at a time of crisis – at this time we would rather be assured that the closest and most accessible provider is of equal standard to others than having to choose.
- Control of budgets was a major concern – control must be independent where the individual involved is unable to make their own informed choice. The risk of using the budget to meet the

needs of the family / carer rather than the individual is otherwise too great.

- Brokerage and advice services must be independent of all potential providers, that includes the public sector. How can this be achieved when the public sector will procure the service?
- Children in particular have no element of choice in the current system – how can these proposals involve children where decision making affects them?
- Both choice and availability are finite – where many service users choose the same provider (e.g. a school) how will government stop it then being a rich man's choice for those that can afford to top up budgets?
- There is still a need for some pan-provision of services (e.g. libraries) – how will these services be identified and maintained?
- Developing new services where need is identified has a cost implication – how will this be met? (Currently public sector spin-off organisations are receiving start up support – how does relate to developing a level playing field?)
- There are currently some fundamental discrepancies in the way that LAs are costing personalised services e.g. including only salaries in costs not running costs. This then makes allocations low and impossible for other providers to compete.

2) Decentralisation

- Local authority boundaries are not sensible now and where 3 (or in some areas 4) tiers exist it is costly and confusing for tax payers. Why burden an already costly and inefficient system with more complexity.
- The development of Neighbourhood Councils are a minefield of issues, will be very expensive to develop and will be on top of an already confusing system – better to sort out the upper tier / district complexities than invest further resource into more layers.
- The reality of very local councils is that they are not reflective of local diversity – they are often uncontested and attract those with the loudest voice.
- Much greater role for districts and boroughs might be a better focus and more sensible political boundaries.
- More Community Budgets are welcomed as long as pan-services are maintained and robust discussion on which pan-services are needed takes place.
- Some issues just are wider than local and we are losing the means to address them e.g. environmental (such as flooding and river basin issues), transport arrangements, economic growth and issues relating to communities of interest – vital concerns but often cross boroughs / counties / even regions in their impact.

3) Diversity

- Where is the evidence that competition drives down price and increases quality? Telephone services are the only possible example whereas electricity, gas, rail services, postal services are all worse, failing or very expensive and monopolised by a few very large players. Most former services are now run by cartels with poor customer service, no accountability and with little or no route for recourse by the consumer.
- TUPE is a massive issue – how can we develop better services when TUPE means you have to take on the existing staff that run the service badly!
- It is not a level playing field – private sector providers can generate high reserves and then pump-prime projects as loss leaders until the competition falls. Third sector orgs are not allowed to generate this sort of wealth and therefore struggle to compete.
- VCS / third sector is not on a level playing field itself – national charities have much greater stability to deliver against but often the best provider should be the local organisation who cannot compete due to size.
- Public sector spin offs have already been primed for delivery – how is this promoting level playing field when other providers don't get the same support?
- Local authority / government bureaucracy is the greatest barrier to better public services. A diverse market place would not be needed if public bodies could just become more flexible, responsive and engaged with local population needs.
- Commissioning skills are key – at present commissioning is often a role tagged onto someone's existing job. Commissioner skills MUST be improved and training must include equality impacts, public & user engagement and intelligence gathering to inform decision making.
- The DWP Work Programme is the polar opposite of everything the OPSWP promises and is totally contra to a localism approach – how can we trust that this is not the model for the future? In addition, central government has interfered directly with local inclusive decision making already (e.g. nuclear waste disposal in Northants). How does this truly reflect the ethos of localisation and can government truly release control and not just cut the mechanisms and routes for complaint or recourse?
- Diversity of providers must reflect customer needs. We just need the right providers, not necessarily lots of them.

4) Fair Access

- At present there is little parity between areas and geographical mobility of services or allocation – how can this be resolved, especially for service users moving between upper tier areas or living on a border and wanting to access cross border support?

- Skills for the completion of Equality Impact Assessments are poor. Equality must be embedded in commissioning decisions and embedded in impact measurement and engagement approaches.
- There are many barriers to public service engagement – many are complex and require support just to engage. These include lack of internet access / skills / confidence; transport costs; confidence to engage with a public officer; cost of and inability to drive / own car etc.
- People lack the basic understanding and vision of what a good and bad service looks like and how they could be improved – this is going to take long term dialogue and development to bring people along with the idea.
- Fair access is best achieved through close engagement of service users, customer feedback/assimilation and co-development whenever possible. Do existing commissioning processes / skills allow for this?
- Grants are still a valid route for procuring services.

5) Accountability

- Continuous re-organisation of the public sector, the need for successive Governments to interfere, exacerbates the problems. Need stability and the time to just let public services get on with the job.
- Does pushing decision making to the individual just move blame for poor services the fault of the individual that chose? Providers are very good at hiding failings until you are too close to get out. Does individual choice = individual culpability?
- This might be the way to go but must be done over time in order to change mindsets and invest in the market. However, a time of national cuts is not that time – this is not an option for cutting costs and streamlining in the short term.

In general our members feel that Local Authorities tend to do a good job and work in the best interests of localities whilst keeping an eye on the wider strategic issues that often cause local tensions e.g. housing. Local authorities need to be given more flexibility and be encouraged to reduce their own risk aversion and bureaucratic processes to enable more responsive and appropriate services to be developed.

Finally - we would like to add some specific concerns considered within One EM as a result of the proposals made - we hope these are useful:

- Recent instances of market failure such as Southern Cross are not mentioned. How can we learn from these experiences and address the challenges they raise? If payment by results implies that

providers take the risk of failure, how does this fit with services (like care services for older people) that cannot be allowed to fail?

- Providers are to be held accountable through customer 'choice' and 'voice' and by more 'transparency' of performance data. But people who are better educated, resourced and with greater social capital are also more articulate and able to influence outcomes. The White Paper recognises this dilemma, but how will competition tackle such inequalities?

- Payment by results requires direct, measurable outputs or outcomes at a time when performance measurement is reducing. How can this be reconciled at the same time ensure that qualitative aspects of service delivery are protected above the quantitative requirements.

- Payment by results in itself is likely to exclude smaller providers from competing due to lack of available cash flow.

- The White Paper will operate in the context of severe cuts in public services. How can the aims for improving services be achieved when services budgets are now being cut or completely removed. How can delivery organisation move to a new delivery model without the assurance that payments for services will be forthcoming especially when, as the reforms are introduced, the cuts are due to intensify? How will services reconcile cuts in budgets during a time when service demand is clearly increasing?

- How will the White Paper proposals be reconciled with existing approaches to service user involvement currently available through public bodies and VCS networks and organisations? Will providers be able to build on these approaches or will new systems be needed? Will this include not pursuing open commissioning if service users do not want it?

- How would the EU procurement rules affect open commissioning? For example, would there be guidance on creating 'social clauses' and other provisions to build in essential service characteristics that are important to certain neighbourhoods or groups of service users?

- Competition itself is not a direct means to improving services. Improvement requires careful management and must also include improvements in accountability, choice, user involvement.

- In order to level the provider 'playing-field' for service delivery there are proposals to break up large contracts into smaller 'lots'. However, as much of this process is also about efficiency savings

and using exiting examples like the DWP work programme there is reasonable cause for concern that this may not manifest.

- The White Paper makes significant reference to the VCS as a service deliverer, but fails to recognise the wider roles of supporting effective commissioning, providing reach, insight and intelligence and supporting longer term market transformation.

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