

Subject:	Open Public Services White Paper		
Date of Meeting:	10th January 2012		
Report of:	Strategic Director Resources		
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Ward(s) affected:	All		

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report summarises the proposals in the White Paper “Open Public Services” published in July 2011. The report also considers related initiatives, such as the Localism Act and the Public Services (Social Value) Bill.

2. RECOMMENDATIONS:

- 2.1 That Governance Committee notes the information contained in the report and requests officers for further briefings once the response to consultation and implementation plan for the Open Public Services White Paper is published.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The Open Public Services White Paper was published in July 2011. The aim of the White Paper is to set out a programme of public sector reform in which power is devolved from Whitehall and placed “in the hands of people and staff”.
- 3.2 To achieve this, the White Paper sets out five principles for modernising public services:-
- **Choice** – to be increased wherever possible
 - **Decentralisation** – public services should be decentralised to the “lowest appropriate level”
 - **Diversity of provision** – public services should be open to a range of providers
 - **Fairness** – ensuring fair access to public services
 - **Accountability** – public services should be accountable to users and taxpayers, with an emphasis on local democratic accountability
- 3.3 The above principles are to be applied to three categories of public service:-
- **Individual Services** – These are personal services – for example in education, social care, housing support and individual healthcare – where people use the service on an individual basis and funding can be personalised through personal budgets, per-student funding formulas or benefits.

- **Neighbourhood Services** – services provided locally and on a collective, rather than 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 which need to be provided above the level of individual communities – examples are taxation, prisons, welfare to work and emergency healthcare.

Proposals - Individual Services

3.4 The main approach taken in relation to individual services is that funding will follow people's choices. The key proposals are:-

- Government will seek to establish, on a customised basis, a framework for choice in individual services – in adult care, education, skills training, early years, other children's services, family services, health and social housing;
- Key data about public services, user satisfaction and the performance of all providers from all sectors will be in the public domain;
- Funding will be targeted to help the poorest, promote social mobility and provide fair access, including through selection criteria;
- All individual service providers will be licensed or registered by the relevant regulator for each sector (to ensure minimum standards);
- There will be a form of redress accessible if choice is not available or where standards are not good enough.

3.5 In Brighton & Hove, a process of self directed support is already in place for adult care services which includes making clear to people how much money is available to meet their needs, offering them the direct management of that money (a direct payment) or, if they request it, arranging services for them. Approximately 40% of people receiving social services in the community currently benefit from this new service approach and the target is 100% of all new services users by April 2013.

3.6 In terms of access to data, the Council has developed a single Access Point for all social care services, with one telephone number, in response to requests to make accessing social care services easier. In September 2011 this service received 1759 enquiries. The Council is now working on a "Local Account" which is intended to be a published account of what adult social services in Brighton & Hove have been doing over the past year, how successful they have been and what they plan to do in the future. The Local Account will be reported to CMM and the Adult Social Care and Housing Scrutiny Committee.

Proposals – Neighbourhood Services

3.7 The proposals for neighbourhood services focus on the Government's commitment to community ownership both of assets and service delivery. The proposals include measures that have now been implemented through the Localism Act, such as:-

- The community right to bid to purchase land of community value;
- The community right to challenge to run public services;

- The neighbourhood planning provisions, which give neighbourhoods the opportunity to form neighbourhood forums and approve or reject neighbourhood plans in local referenda.
- 3.8 The White Paper includes proposals for additional rights for neighbourhoods. For example, it commits to consult on potential new rights for neighbourhood councils to take over some key local services with a focus on local public realm, leisure opportunities and community activity. The Government will consult on how a national framework for these local schemes could assist councils at all levels to promote decentralisation of power.
- 3.9 DCLG and the Cabinet Office have stated that they will explore how the financial framework for neighbourhood councils can be improved, to ensure 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.
- 3.10 The White Paper states that DCLG 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. This is intended to give these communities more power to shape and control their services to show the way for other areas that are interested.
- 3.11 Brighton and Hove City Council is currently consulting with the city on developing new ways of working with communities. The results of the consultation and planned pilot activities will be reported to cabinet in March 2012. It is proposed that neighbourhoods will be offered greater power to make decisions about services and budgets, addressing issues relevant to them and that the first Neighbourhood Council/s will be piloted from May 2012.

Proposals – Commissioned Services

- 3.12 The White Paper sets out support for separating the commissioning of public services from the provision of them. For those services amenable to commissioning, the principles of open public services will switch the default from one where the state provides the service itself to one where the state commissions from a range of diverse providers. The intention is to embed across public services the idea of diverse and innovative providers competing to raise standards. The White Paper promises to consult on how best to ensure greater accountability as services are opened up to a diverse range of provision. This will include-
- Whether or not the role of local councillors as citizen champions needs to be enhanced to ensure proper accountability of providers from all sectors – such as extending their powers of overview and scrutiny to other sectors.
 - Exploring how providers can enable user participation or management in all sectors (for example, tenant management organisations and parent/community governors) and assessing whether all providers should be subject to the same requirements for transparency;

- Consulting on how to go further in opening up locally commissioned services and assessing barriers to entry and exit that may prevent diversity and innovation from being achieved, and recommending steps to address those barriers.

Next Steps

- 3.13 The White Paper promised a listening period between July and September 2011 and then a programme of work to implement the open public services agenda, including proposals for legislation. An Implementation Plan was due to be published in November 2011. The Cabinet Office has recently been reported as having confirmed that the implementation plan will be delayed until the New Year. Once the Implementation Plan is available, a further briefing will be prepared to update Members on the proposed programme.
- 3.14 In the meantime, the Localism Act has received Royal Assent and some of the principles in the White Paper are taken forward through the Act, as referred to above at paragraph 3.5. Additionally there have been developments with the Public Services (Social Value) Bill which is currently progressing through Parliament (see below).

The Public Services (Social Value) Bill

- 3.15 The Public Services (Social Value) Bill (the Bill) is currently making its way through Parliament. The Bill seeks to make the “social value” of a contract a key evaluating factor in the future award of public contracts.
- 3.16 The Bill will require that public bodies, during pre-procurement and procurement exercises (and, where appropriate, in the terms of a contract entered into), consider how they can enhance the wider economic, social and environmental well-being of an area in which the public body is exercising its functions.
- 3.17 The Bill will place greater emphasis on local social considerations such as the provision of training and employment opportunities for local residents, and dovetails with the White Paper proposals which envisages greater involvement by charities, voluntary organisations and social enterprises in the provision of local community services.
- 3.18 The Bill includes provision to amend section 17 of the Local Government Act 1988 which currently prevents local authorities, when entering into public contracts, from referring to matters which amount to “non-commercial” considerations.
- 3.19 The report stage and third reading of the Bill took place on 25 November 2011. The Bill has now passed all Commons stages and has been sent to the House of Lords for consideration. The Bill is understood to have cross party support and it is therefore anticipated that it will receive Royal Assent in early 2012.
- 3.20 In Brighton & Hove, the Council’s Procurement and Legal team have undertaken in depth training on the issue of adding social value clauses to contracts. The intention is to ensure that the possibilities for adding social value to contracts are considered as a matter of course. The revised Corporate Procurement Strategy

(from Spring 2012) will address the issue of social value and contracts to give a clear steer to contracts officers. One area where there is a particular interest is in requiring contractors to use apprentices or provide work experience.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

4.1 This report is for information only at this stage.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 The financial implications will be assessed at the next stage when implementation plans are available for the White Paper. On the proposals for individualised services some are well advanced, for instance, adult social care have embedded personalisation in their practices and planning. Options for commissioning neighbourhood level budgets are being developed.

Finance Officer Consulted: Anne Silley Date:19/12/11

Legal Implications:

5.2 These are addressed in the body of the report. As further legislation comes forward, there will be a need to ensure members are aware of new powers and responsibilities.

Lawyer Consulted Elizabeth Culbert

Date: 08/12/11

Equalities Implications:

5.3 None at this stage

Sustainability Implications:

5.4 None at this stage

Crime & Disorder Implications:

5.5 None at this stage

Risk and Opportunity Management Implications:

5.6 None at this stage

Public Health Implications:

5.7 None

Corporate / Citywide Implications:

5.8 None at this stage

SUPPORTING DOCUMENTATION

Appendices:

1. None

Documents in Members' Rooms

1. None

Background Documents

1. None