Delivering better public services?

How to provide good quality public services is a crucial question that every government faces. The challenge of improving public services has become even greater in an age of fiscal austerity. The kind of spending increases that took place under the Labour government are no longer an option.

In the summer, the government published a White Paper – *Open Public Services* – that sets out its view on how to achieve better public services. At the heart of the White Paper are five principles:

- Greater **choice** wherever possible;
- **Decentralisation** to the 'lowest appropriate level';
- **Diversity** of provision by opening up public services to for-profit and not-for-profit providers;
- **Fairness** and in particular fair access; and
- **Accountability**, with an emphasis on local democratic accountability.

There seems to be an important distinction between the first three of these principles – which describe mechanisms for the organisation and delivery of public services, emphasising a move away from centralised public sector provision – and the final two principles – which describe the values that public services should embody. And as we argue further below, there may be tensions between these principles.

The ideas around increased choice and competition and decentralisation are not new. Much research at CMPO has been concerned with providing rigorous analysis of the effects of earlier reforms – particularly in health and education.

In the first article in this issue, Julian Le Grand reflects on his experiences as a key driver of the 'quasi-market' reforms introduced by Labour. His conclusion is that the evidence – much of it from researchers working at CMPO – is largely positive. 'By 2010 the NHS was providing quicker, higher quality care, and doing so in a more efficient and more responsive manner.' While some of the improvement may have been driven by improved funding, 'the relatively poor performance of the better-resourced but unreformed Scottish and Welsh health services suggests that there was more going on'.

In her article, Carol Propper discusses the evidence on opening up competition and choice in healthcare covering the series of NHS reforms carried out during the 1990s and 2000s. Although the take-up of choice under the 'choose and book' system was slow, there is evidence that patients were

responding, for example, selecting treatment at hospitals with shorter waiting times. There is also some evidence that quality of care rose in hospitals facing the most competition. She also highlights a number of important areas, including the impact of competition in health and community care beyond the hospital sector, where evidence is currently lacking.

In education, however, the effect of choice and competition to date appears to be much weaker. In their article, Rebecca Allen and Simon Burgess suggest that the evidence shows 'a small and statistically weak impact of increased choice on overall standards'. There is a, however, a correlation – but not necessarily a causal relationship – between higher levels of pupil sorting by socio-economic background and by ability and the degree of choice.

What is new in the White Paper is the desire to take choice, competition and diversity further and to apply the principles systematically across pretty much the entire reach of public services, ruling out only the military and parts of the judiciary. The government has very recently expanded the contracting out of 'welfare-to-work' under the Work Programme. Ian Mulheirn's article critically assesses the prospects for success. He concludes that 'done well, such policies can spur innovation and improve value for money. But done badly they can end up costing the taxpayer more and result in poorer services.'

Also new is the increased emphasis on involving the voluntary sector. Coinciding with the cutbacks, this has been seen by some as a cynical attempt to 'voluntarise' public services. There is, however, a genuine recognition that voluntary organisations have several potential advantages compared with for-profit organisations. But David Mullins, James Rees and Rosie Meek raise important questions about 'the power of third sector organisations to challenge and compete in the new environment [and] the power of commissioners to prevent the emergence of new monopolies'.

Developing this idea further, Paul Grout argues that, given the size of the voluntary sector, any additional funding is going to come from the private sector. His article emphasises that this can be beneficial – at least in areas where private provision is appropriate. 'The general theme of private delivery of public services is that, on average, privatisation, partnerships and outsourcing have been reasonably successful.' The challenge for the government, however, is in overcoming public hostility to the idea of running any public services for private profit.

As mentioned above, it is easy to see some potential tensions between the five principles that are set out in the White Paper. One such tension is between the principles of choice and fairness. A choice-based system is likely to give an advantage to those best placed to exercise choice, potentially threatening the principle of fair access.

In education, there may be limits on the extent to which a choice-based system can achieve equality of access. Rebecca Allen and Simon Burgess argue that the main policy challenge in achieving fairer access is a reduction in the prominence of proximity as factor determining school admissions. Writing about the use of performance measures, which are a key tool for effective consumer choice, Deborah Wilson argues that some people may 'need more guidance in processing complex performance information, which has implications for equity'.

There is another potential tension between diversity (which practically may involve the commissioning of both for-profit and not-for-profit organisations) and accountability. This is a theme developed in the final two articles.

Law professor Tony Prosser writes that 'traditional means [of accountability] are not well suited to government by contract.' Kate Blatchford discusses a number of potential new mechanisms for accountability that may operate in a fragmented and pluralised system. One of the main challenges is to make multiple channels of accountability coherent and consistent. With an array of different accountability mechanisms, there is a danger that 'service users will not know which form of accountability best suits their needs'. One idea is for policy-makers to think about an 'accountability map' to guide people through.

Following the publication of the White Paper, public services will continue to be the subject of intense academic and policy debate. The rolling out of new models of delivery – such as the Work Programme, free schools and mutuals – will also provide an opportunity for rigorous evaluations to learn important lessons about what works. This will be a crucial area for research in the years to come.