



**The Commission on the Future of Local Government Call for Evidence:  
Submission from Mark Upton, Public Policy Strategies**

1. Public Policy Strategies welcomes the opportunity to contribute to the debate about the future role of Local Government and assist the Commission in its deliberations. Public Policy Strategies is a recently formed consultancy providing strategic and practical advice and support to public, private and third sector clients. In this response we have chosen to concentrate on the way in which local government commissions and provides its services which we believe to be fundamental to the future role of local government.
2. A number of local authorities have seen their future through adopting an organisation-wide commissioning role which appears to favour one particular delivery model over others. This provides for a very limited perspective. Rather the commissioning model should be used to provide a common foundation stone for the many different service traditions which exist within local government (and individual councils) and to form the necessary bridge to the activities of other local statutory agencies. And to be the one place where a variety of different competing and complimentary options across formal service delivery, community action, regeneration and enterprise are considered and taken forward.
3. The “*make or buy*” decision is a distraction especially when considered in the abstract. It should be considered pragmatically on a case by case basis with reference to current and prospective performance of internal service units and the state of the relevant procurement market. As the former Government advisor who had responsibility in this area there is no relevant, credible and impartial evidence to justify a blanket policy. And we know from experience that simply transferring services to other organisations either through outsourcing or using alternative governance forms (such as Community Trusts and Mutuels) has not directly led to new and radical service patterns. That is not to say that both do not have a future role; quite the contrary. Though we have seen disastrous results occur when there has not been rigorous and open minded commissioning process. And only through such a process will come the promotion of new and more effective service patterns.

4. Nonetheless the Government's public service reform agenda has been scued around whether services should be delivered through the public, private or third sectors; and concepts such as contestability, choice and efficiency. This is "*putting the cart before the horse*". Successful public sector commissioning and the correct choice of delivery outlet will be based upon the much more important considerations around the balance between need, resources and priorities. Indeed, it is within this triangle of issues where local government can build community leadership in providing a democratically anchored framework within which local priorities can be set, reviewed and renewed. Though if commissioning is to play its part and support local government's community leadership role and to achieve its ambitions for example through Community Budgeting then it needs to evolve and be something quite different so that it becomes fit for purpose.
5. Though the message coming out of Central Government that public bodies should just specify the results it wants and then outsource through a payment by results contract is too simplistic. On the contrary, commissioning in the future and, indeed urgently, needs to be more proactive and ultimately more intelligent. This means a more expansive perspective of the commissioning modus operandi, its canvas and its ambition in terms of what it can influence and achieve.
6. This recognises that local authorities are already and will increasingly be playing a number of different roles: shaping local markets, enabling the social capital of local communities, promoting enterprise, procuring and providing certain public services. This means bringing together the people and place dimensions of the services and therefore outcomes thereby making delivery that much stronger and sustainable. In this way commissioning will better support the concept of *Civic Enterprise*, which the Commission is striving to define, as it recognises that public sector objectives can be realise by a wider set of levers than just procurement contracts and funding grants. That the private and third sectors do not just consist of specialist service providers, but also local employers, enterprise (both social and commercial) and potential local change agents which have a contribution to make alongside formal service delivery.
7. This is vital, as John Tizard has commented the new challenge is to build an approach to localism which is based on the new reality of less money; though not simply about "doing more for less". It has to be about as John says doing different things in different ways<sup>1</sup>.

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<sup>1</sup> "Progressive Localism in 2012: a challenge and an opportunity", John Tizard, [www.progloc.org](http://www.progloc.org), 6<sup>th</sup> January 2012

8. Key to tapping into this wider capability will be to develop an understanding of the leverage of these sectors of the local community and enterprise economies throughout the commissioning cycle as local partners, local employers, change agents, service users and encouraging and exploiting the synergies between their self interests and social responsibilities and the mutual goals and objectives of the public sector. There are numerous ones, so I will just give one example. Could major local employers make a bigger contribution to public health agenda?
9. From the local authority perspective councils could use their purchasing power to make key commodities more affordable to small businesses; use their ability to raise capital and their access to land and property to support local growth and create employment; use their leadership and influence to tackle obstacles to increasing social capital and community-led action, and their regulatory powers to protect the vulnerable from abuse.
10. Where local authorities have excellence within internal service teams this could be exploited through seeking out wider markets, local and otherwise (and within the public sector and across the economy) through such means as social franchising, syndication, special purpose vehicles, mutualisation and joint ventures. Again, the focus is on rationale, both in terms of commissioning and in this example, the business case first, the delivery model second.
11. To realise this requires some serious issues to be addressed:
  - Embracing locally a single and unifying language, structures and governance, policy, standards and commissioning frameworks not only across different local government service traditions but also across the local statutory sector;
  - Creating a shared and continuing understanding of community needs, embraced by the local business and community sectors;
  - Moving to an approach which is truly driven by outcomes from the assessment of need through to establishment of priorities, to delivery and onto performance review;
  - Opening up decision making over needs, priorities and resources to dialogue to fashion a new relationship between communities, service users and their public services;

- Putting in place governance structures that can credibly govern geographical-based and multi-agency partnerships;
- Ensuring that through commissioning that “form follows function” which is evidenced by needs, and what works;
- Promoting a culture which embraces the actions, capability and aspirations of local business, social enterprise and voluntary sectors; and
- Moving away from hierarchical and prescriptive contractual relationships between service providers, both external and internal, to value based relationships.

12. Public Policy Strategies would be happy to articulate some these thoughts in further detail. And would welcome an opportunity to help Leeds City Council to realise the vision of Civic Enterprise.

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