



Public service delivery at a crossroads

The recent Budget merely confirmed what most of us already knew – the years of massive investment in public services are well and truly over and between now and 2015 the Government will be seeking massive efficiency savings.

With public borrowing reaching £175b this year and then slowly falling to £97b over the next four years there is little surprise that the Chancellor is looking to public services to further increase the significant levels of savings already achieved in recent years still further. His demand for £15b public sector efficiency savings next year equates to a £600m extra savings for local government from £4.9b to £5.5b, this is a 12% rise. The next three year settlement is also likely to bring little cheer and the long term outlook is fairly miserable.

It was no coincidence that the Treasury led Operational Efficiencies Programme Report, which had a major input from Sir Michael Bichard, was issued the day before the Budget and threw down a number of challenges across public services.

The Total Place process in Cumbria, highlighted in the report, identified cross public sector expenditure of some £7b and it is hard to argue that better collaboration, cooperation and coordination wouldn't lead to significant savings. However, it is my view that if this is merely about packaging up shared services in neat bundles to outsource under the guise of strategic partnerships then we have learned nothing from past failures in this area. Having sat on the ODPMs strategic partnership taskforce I will avoid detailed reference to its 24 pathfinder projects.

My concern is that the 13 Total Place pilots will end up as a contest to see who can cut the most cost and then Whitehall will attempt to impose one or two models on the whole country. The public sector will then feed an ever morphing industry of consultants, lawyers and procurement specialists who will specialise in compliance with this regime. We have been here before, it doesn't work and it is not the answer.

What we need is those who have been attacked recently, as high earning bureaucrats who have limited accountability and disown themselves from responsibility for delivering services, to shake off that mantle. They can earn their corn by showing their leadership talent in fostering a culture of improvement and innovation from within that designs services from the user upwards and reduces overlaps with other public services. If they can strip out the waste and bureaucracy associated with compliance and shift these resources to service delivery then it will be an important start.

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