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Is Commissioning the Way Forward?

Commissioning is a wolf in sheep's clothing. The separation of client and contractor roles, the enabling model, is little more than a revamp of the 'contract city' concept to outsource most services; the ultimate neoliberal public management.

The claims of breaking down bureaucracy, avoiding producer interests and 'customising' services, are old hat, particularly when commissioning will lead to private monopoly, commercialised services, agendas dominated by the vested interests of private contractors and little transparency. Few contractors have the ability or capacity to deliver all services. Layers of subcontractors, common in PFI projects, will be the norm, making for complex contract management. Furthermore, the full consequences and risks of the commissioning/enabling model of government are never declared.

Having advised trade unions in nearly twenty strategic partnerships, a pattern has emerged of closing the option of in-house provision at the outset, producing selective and limited options appraisals and business cases. These consistently ramp up the capacity of the private sector, exaggerate financial savings and regard TUPE as the protector of employment terms and conditions.

The London Borough of Barnet, despite claims that Future Shape, easyCouncil and now One Barnet were not mass outsourcing projects, is engaged in procurement to outsource 2,600 jobs, 70% of non-school staff. Detailed analysis of Council documents has revealed in-house options marginalised, operational risks ignored, weak economic and financial cases, no service transformation proposals and no citizen engagement. Taxpayers have no evidence that the risks and impact of the overall model have been assessed.

Government research since the early 1990s has consistently revealed average outsourcing savings of 6%-8%, even less when all public costs are taken into account. Savings in many strategic partnerships, for example Somerset, Liverpool and Oldham, are significantly lower than forecast. The level of denial is shocking. The Coalition has even resorted to savings evidence from 1980s refuse collection contracts to justify NHS competition in the current Health Bill impact assessment.

There is an alternative. The skills, experience and capability of in-house services is systematically under-stated. Key components include systemic reviews, rigorous cost/benefit and impact assessment, a developmental approach, prioritising service integration, accountability and social justice, supported by a comprehensive corporate strategy, protocols and public service principles. Genuine engagement with staff and trade unions and service users/community organisations can produce innovation, more effective service delivery and efficiency and productivity gains.

Newcastle City Council remains the only case where an in-house bid was submitted in a strategic partnership procurement and surpassed the proposals in a BT bid. A new City Service internal organisation has successfully implemented the contract over the past eight years achieving performance, transformation and financial targets.

It demonstrated flexibility, innovation with transformative change, that engaged and negotiated with staff and trade unions on a continuous basis, that also benefited the local economy. The Council harnessed the skills of the private sector to address some specific needs, but above all, nurtured good quality public service management.

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