

## The 'open public services' agenda is unravelling and this should change how we perceive those who claim to critique it from the inside while nonetheless supporting its aims

*In this response to an earlier [article](#) by Jane Mansour, [Peter Latham](#) critiques the 'open public services' agenda upon which her arguments were predicated. He suggests that the purported localism of this approach is illusory, in fact affording new powers to central government to dictate how 'localism' will work in practice and further eroding the status of local councils. With a view to the broader context within which the policy specifics of commissioning are played out, he claims that the relevance of the 'critical insider' adopted by Mansour and others is increasingly in question.*

Jane Mansour's article was originally published on [Buying Quality Performance](#): a blog she co-produces with Richard Johnson who until recently was Managing Director of Serco Welfare to Work. Mansour and Johnson's main interest is in how commissioning/procurement 'can be enhanced' for 'welfare-to-work services' via [payment by results](#). That is, they are both fully committed to the 'open public services' agenda. This article is therefore a '[critical outsider](#)' response to Mansour's '[critical insider](#)' perspective.

The Tory-led Coalition Government's White Paper on *Open Public Services* was published in July 2011; and its privatisation model is taken directly from a [report](#) published in 2010 by three senior partners at KPMG. Moreover, in February 2011 David Cameron appointed Paul Kirby – one of the KPMG report's authors – as the Government's head of policy development. In the KPMG model there are three types of publicly funded provision: (a) 'personal services' (e.g. education and health) which should 'replicate the way that...real consumer markets work'; (b) 'national services – where central government should be a strong national customer, but not necessarily the provider' (e.g. courts, prisons, probation, immigration, national roads, benefits and job centres); and (c) 'local community services' (e.g. council environmental, leisure, children, housing and economic development services) where there should also be 'a structural separation of provider from purchaser' plus the handing back of some services 'to the community' (e.g. libraries that 'are spending scarce resource on premises'). The White Paper also divides the privatisation menu for public services into these three categories.

'We do not', [states the White Paper](#), 'have an ideological presumption that only one sector should run services: high-quality services can be provided by the public sector, the voluntary and community sector, or the private sector'. Yet David Cameron – despite knowing that A4e the company she chaired was being investigated for fraud – in December 2010 appointed Emma Harrison as the Government's "family tsar". Moreover, in September 2011 the Government appointed A4e to design a payments by results agreement for welfare to work providers: even though it knew that the National Audit Office had found A4e's "pathways to work" contracts worth nearly £100 million to have '[universally failed by considerable margins to meet their contractual targets](#)' and performed worse than job centres.

One of the other key themes of the White Paper – as of the Localism Act 2011, which should be called the Centralism Act because it gives Secretary of State Eric Pickles at least 142 powers to lay down regulations, issue guidance and otherwise dictate how 'localism' will work – is local democracy: '[Both elected and unelected consumer and citizen champions will need to take a prominent role in pushing for increased quality and greater choice](#)'. Hence, what George Jones [refers to](#) as the "sub-localism" of 'unelected consumer champions' will further undermine the position of elected councillors.

The White Paper also [claims](#) the Government will [empower public employees through the formation of mutuals](#): 'We are giving public sector staff new rights to form new mutuals and bid to take over the services they deliver, empowering millions of public sector staff to become their own bosses. But, as Steve Davies [concludes](#)

*...the fact that it has nothing to say about the extension of mutualism in the private sector in general, or among the private sector contractors providing public services in particular, shows the hollowness of the government's claims and the lack of commitment to the values of mutualism. The real objective is to shrink the state and marketise all public service provision. The government is not interested in whether public service mutuals will exist in five years time, just so long as they form a useful vehicle for the break-up of the public sector today.*

Hence – contrary to the Tory-led Coalition Government's empowerment/localism rhetoric – the main purpose of the White Paper and the Localism Act is to [complete the privatisation of public services](#) started under previous Tory governments and intensified under New Labour: to restore the conditions in which profitable investment and capital accumulation can take place.

However, as Jane Dudman already [notes](#): 'The brutality of spending cuts is leaving councils with little room for manoeuvre – and outsourcing is often no longer an option'. For example, Birmingham city council is now deep into the process of making unprecedented cuts of £600 million by 2017. Barnsley Labour councillor Tim Cheetham [believes](#) councils are planning their own demise; and cites the Barnet Graph of Doom. The latter is a PowerPoint slide showing that by 2019/20, unless things change dramatically, the north London council will be unable to provide any services except adult [social care](#). 'From that point on... [t]here will no longer be a local authority,' Cheetham predicts.

What then is the alternative? Dexter Whitfield provides a [useful summary](#) of the action which can be taken by unions to minimise the impact of marketisation and privatisation:

- Build political support
- Mobilise against specific policies and projects
- Organise coalitions and alliances
- Intervene in the modernisation process
- Promote alternative policies
- Prevent the extension of marketisation through the European Union and World Trade Organisation.

Labour's Shadow Chancellor Ed Balls has pledged to choose his policy options from the same menu of spending cuts as the Coalition. Conversely, the unions, individually and at the TUC, have abandoned the policy planks that bound them into capitalist consensus. For example, the anti-privatisation and public ownership policies contained in the *People's Charter* were [adopted by the TUC in 2009](#); [the 2011 TUC adopted an Alternative Economic Strategy](#); and the 2012 TUC passed a motion from the Fire Brigades Union calling for 'full public ownership' of the financial sector 'and the creation of a publicly owned banking service, democratically and accountably managed'.

At the end of September 2012 [public sector net debt was £1,065.4 billion](#) equivalent to 67.9 per cent of GDP – excluding the bank bailouts. Yet this debt could be eliminated within five years – and fund the massive investment needed in manufacturing, public services and housing – if the [following measures were implemented](#):

- a two percent wealth tax on the richest 10 per cent of households who own an estimated 44 percent of Britain's wealth (revenue £90 billion a year)
- a 10 percent Tobin tax on City transactions (revenue £112 billion a year)
- ending tax dodging by the super-rich and big business (revenue £70 billion a year)

Antonio Gramsci's theory of the historic bloc enabled him to accurately detail the balance of class forces in the society of his time: and is still relevant today when devising [political strategies to defeat the neoliberal consensus](#) of the three main parties. Meanwhile, as the 'open public services' agenda unravels – so does the relevance of Jane Mansour's 'critical insider' perspective.

*Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting.*

### **About the authors**

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