Strategy, Reform and Productivity Team 1/E2 HM Treasury 1 Horse Guards Road London SW1A 2HQ By email: reform@hmtreasury.gsi.gov.uk





21 January 2010

Dear Sir/Madam,

## Call for evidence on public service reform (relevant to questions 13, 19 and more broadly)

Thank you for the opportunity to respond to the call for evidence on public service reform and my apologies for missing the early January deadline. This is an important White Paper and I hope you are able to take the brief comments below into consideration.

Public service reform is vital if the government is to meet its stated objectives of reducing the deficit and protecting the most vulnerable. Nowhere is the need for reform clearer than around how statutory and voluntary services currently fail a small group of people facing multiple needs and exclusions. These individuals experience multiple problems such homelessness, mental ill health, substance misuse and offending. As a result they are poorly supported by services, which often deal with one issue at a time and provide duplicated, ineffective interventions. The economic costs are significant.

Recent work on the reform of services for this group has shown that a coordinated local approach can have beneficial effect, for example, the results of the Cabinet Office Adults Facing Chronic Exclusion Programme. The public service reform White Paper should therefore actively encourage local areas to adopt such an approach by including a clear message around the importance of local service coordination for this group. This will strengthen the chance of reforms outlined in the call for evidence (such as payment by results) being successful. The government should also outline within the White Paper the actions it will take to make the local provision of coordinated services much easier for local areas, building on work already underway around Community Budgets.

As strategic leads, local authorities must be a key recipient of this coordination message (question 13) and government should be prepared to act where areas are failing to adopt the coordinated approaches that will help it meet its stated objectives (question 19). Commissioning processes must create a stable environment for coordinated services to develop by providing long-term contracts; focusing on outcomes not price; and preventing the need for holistic services to engage with a myriad of (often contradictory) commissioning bodies across local and central government.

We would be delighted if a message around the importance of local coordination for this group could form part of the White Paper. The local services funded by the Cabinet Office Adults Facing Chronic Exclusion Programme or the MEAM service pilots (see <a href="http://www.meam.org.uk/service-pilots">http://www.meam.org.uk/service-pilots</a>) could provide excellent case studies.

Please let me know if we can be of further assistance in the development of the White Paper.

With best wishes

Oliver Hilbery **Project Director**