

The effects of devolution and combined authorities on the outsourcing market

Adam Fineberg, government services advisor, led a session at the NOA's Public Sector Day analysing the impact of devolution on outsourcing.

Adam's session addressed market changes that will emanate out of the combined authorities and devolution movement, off the back of changes to commissioning in the government health sector, leading to a different playing field in terms of the provision of government services.

It followed research findings from the NOA and other presentations where a series of terms kept on being repeated: "integrators", "collaboration", "outcomes", "incentivisation" etc. The case study presented focused on the experience of efforts around public sector reform – and leaving it to the sector to self-reform. Opportunities for the outsourcing industry to realise these changes were identified, building on the above themes and explaining how to take advantage of these opportunities across different scales, sectors and geographies.

It's important to recognise that the government's devolution plans could lead to the creation of sub-regional markets of public services, ready to be privatised. Just as the previous government reorganised the NHS to create commissioning and separate provider organisations (leading to further outsourcing of public services), so devolution could ultimately disrupt the traditional organisation of council services, potentially bundling them into parcels suitable for outsourcing.

It is likely that devolution will relaunch the previous government's attempts to open up more public services to outsourcing – with this government's offer of devolution to local government potentially leading to several potent unintended consequences: combined authorities losing their local touch, more layers of managerialism and the further fragmentation of public services, potentially paving the way for private sector intervention.

After a traditional presentation the floor was opened up to a personal debate about the dilemmas around public services. This included the opportunities and constraints that the outsourcing sector has in rising to the public service reform challenge and how to realise better outcomes at lower cost. The conclusion was a rallying call for organised sector action, outlining the potential activity required to assist in market development including:

- The publishing/placing of thought leadership pieces, and other publications and quotes
- Engagement with think tanks and government reviews
- The organisation of conferences and roundtables
- The opportunity the outsourcing industry has in delivering on this

About Adam Fineberg

Adam is a leading advisor on government services. He has driven public service reform efforts and designed required, integrated service delivery models over the last 15 years. He helps private sector clients consider how they can support public service reform in a way that opens up new and changing opportunities for their products and services.

This comes on the back of the significant development and growth of regional health economies, now as a result of the recent devolution, combined authorities and growth agenda which is leading to larger, multi-service and geography markets.

