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Government is improving the way it manages outsourced public services but precarious reforms could still fail, according to new research by the Institute for Government.

The report, *Building Commercial Capability in Government*, argues that the civil service put in place sound plans to address poor management of commercial contracts, but reforms are still vulnerable if not properly sustained. The next three years in particular are vital to ensuring success.

High-profile scandals in government contracting, most notably with Serco and G4S, revealed weaknesses in government's management of its suppliers, and the report welcomes attempts by the civil service to turn things around.

Ultimately, it is taxpayers and citizens who suffer badly when government underfunds or overpays providers, gives work to incapable organisations, or fails to ensure users can have a say in their services. And polling shows that 53% of people think that when something goes wrong with contracted public services, no one takes responsibility.

The report acknowledges that the challenges of this type of reform are immense. Previous attempts often tailed off before they could deliver results. In many cases, short-term priorities diverted attention. In others, Cabinet Office and departmental leaders failed to work together to reinforce changes.

But this drive to improve must not be allowed to fade, argues the report. The next three years are make or break, and civil service leaders need to concentrate on ensuring these reforms are fully understood by everyone who works in a commercial role in government.

**Tom Gash**, report author, said:

"The way government manages outsourced contracts affects us all. Most of our public services are now in some way supported by private companies and voluntary sector organisations. Private companies run the trains and buses we travel on, and charitable academy trusts run the majority of secondary schools.

"Yet more than half of people we polled think no one takes responsibility when something goes wrong with these outsourced public services. It's time for the Government to prove them wrong – and it can only hope to do this by keeping up the momentum on these crucial reforms."

For more information, please contact [Nicole Valentinuzzi](mailto:nicole.valentinuzzi@instituteforgovernment.org.uk) <sup>[1]</sup> on 07850313791.

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### Notes to editors

1. The report can be found on [our website](#) <sup>[2]</sup> or available upon request. It forms part of a wider series of IfG reports on [public service markets](#) <sup>[3]</sup>.
2. The Institute for Government is an independent charity founded in 2008 to help make government more effective.

### Associated documents:

[Building government's commercial capability](#) <sup>[4]</sup>

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[2] <https://www.instituteforgovernment.org.uk/publications/building-government%E2%80%99s-commercial-capability>

[3] <https://www.instituteforgovernment.org.uk/our-work/new-models-governance-and-public-services/choice-competition-and-public-service-markets>

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