Commercialisation of Public Services: Ongoing Issues and Implications for Public Value and Accountability

BAFA Special Interest Group for Public Services and Charities Workshop

Alliance Manchester Business School, 3rd February 2026

Building on previous successful events, the BAFA SIG for Public Services and Charities will be hosting a discussion and brainstorming workshop on the continued commercialisation of public services and its effects. From outsourcing in central government to NHS-private partnerships and the marketisation of universities, public-service organisations have, now for many years, increasingly adopted commercial strategies. This, nevertheless, continues to raise key questions about public value, financial returns, and accountability.

Recent developments highlight the urgency of re-examining commercialisation: the collapse of private service providers, financially troubled local authorities following risky investments, NHS outsourcing to tackle backlogs, and universities under pressure to monetise research. Government responses and academic research now challenge how commercialisation affects service values and outcomes. The workshop will offer a timely forum to examine these tensions from an accountability perspective.

We welcome scholars and practitioners in public-sector accounting, governance, and management to a one-day event, which will take place at the Alliance Manchester Business School on 3rd February 2026, exploring whether and how commercial logics and practices can balance public value, finance, and accountability.

Key Themes and Sector Perspectives

Rooted in New Public Management ideals (Hood, 1991, 1995), the push for private-sector involvement – emphasising efficiency, innovation, and risk transfer – has reshaped a broad range of public institutions. The workshop will examine how commercialisation manifests across, and continues to affect, central government, local government, hospitals, universities, and charities. For instance:

Central Government. The UK central government has increasingly turned to outsourcing, public-private partnerships (PPPs), and commercial models to deliver services. By 2023/24, total public-sector procurement reached £407 billion annually in spending on external suppliers (Booth, 2024). While this shift aims to promote efficiency and innovation, it raises concerns about how to ensure commercialised services act in the public interest. Central-government agencies play a crucial role in safeguarding public value, yet recent issues – such as water pollution linked to privatised water companies and the financial collapse of rail operators – highlight weaknesses in oversight and accountability. How can accounting and accountability mechanisms be strengthened to monitor such contracts, including recent central government reforms, such as the Procurement Bill and National Procurement Policy?

Local Government. Local authorities have been among the most active UK players in commercialisation, driven largely by funding pressures. Councils have set up trading companies, entered joint ventures, and invested heavily in commercial property. Between 2016 and 2019 alone, councils spent £6.6 billion on such acquisitions – often using borrowed money (NAO, 2020). While these ventures can support regeneration and service funding, they also pose risks. Cases like Thurrock's failed solar bond scheme resulting in over £1 billion in debt and effective bankruptcy (FT, 2025) show how commercial ambition can undermine financial sustainability and public trust. Treasury rules have since reined in yield-driven borrowing, but many councils continue commercial strategies tied to local priorities. How can local governments innovate responsibly, and what does accountability mean in an entrepreneurial environment?

Healthcare and the NHS. The NHS continues to engage private providers – via elective procedure outsourcing, diagnostics contracts, and support services – but with uneven results. Studies have shown links between increased outsourcing and poorer patient outcomes, such as higher treatable mortality rates (Goodair & Reeves, 2022). While private partnerships can ease capacity pressures, they also raise ethical concerns around transparency, quality, and access. What frameworks can help measure public value in healthcare—beyond cost savings? What accountability tools are needed as Integrated Care Systems reshape commissioning?

Higher Education. Universities face growing pressure to commercialise knowledge, diversify income, and demonstrate impact. Technology transfer offices, spinouts, and corporate research contracts are now central to the UK university landscape. Market-based logics have attracted record levels of funding – largely from student fees – transforming universities into quasi-corporate bodies that market education as a product. While successes like the Oxford–AstraZeneca vaccine show alignment between public benefit and commercial goals, tensions persist around mission drift, intellectual property, equity, and transparency. Financial risk is also rising, with 43% of UK institutions projected to run deficits in 2024/25 (OfS, 2025). Spin-outs offer new income and graduate opportunities, but also introduce managerial and commercial risk. How can universities disclose and govern these activities, and can audit, metrics, and impact reporting help align commercial strategies with public missions?

Charity Sector. Charities, rooted in public-benefit and social purposes, have been increasingly adopting commercial practices – such as contract-based funding, performance metrics, and corporate-style fundraising – under pressure to modernise and professionalise (Hind, 2017; Hyndman, 2017). While these changes may improve efficiency, they also risk shifting focus away from mission-driven goals. Recipients of goods and services, indeed, often have no ability to pay or seek an alternative provider. Moreover, traditionally, charities have more strongly relied on trust relationships and communal accountability, rather than market relationships and contractual accountability (Saxton et al., 2012). How can charities balance financial sustainability with public trust, and do accounting and accountability tools support – or undermine – that balance? Can commercialisation enhance legitimacy without compromising charities' core values?

As in previous editions, the structure of the workshop will be very interactive and will draw on small-group discussions and practitioner roundtables, providing a great opportunity for cross-sector exchange. Lunch and refreshments will be provided during the day.

All scholars and researchers interested in public-services are invited to participate – whether experienced or new to the field. We welcome participants from accounting, public administration, management, health, education, and related areas.

Why participate:

- Learn about current research and policy across different public-sector domains

- Engage with key conceptual debates on public value, financial imperatives, and accountability in a changing public-sector landscape
- Connect with peers and explore research collaborations
- Help shape a research agenda on the role of commercialisation in the delivery and improvement of public services

Registration: A small registration fee of £30.00 will be used to help support the community's engagement. Registration is free for BAFA-affiliated PhD students (they will still need to register via the BAFA portal). ***Registration will open on 15th October 2025 and close on 16th January 2026.*** Those interested can register at the following link LINK.

References

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