

**LOCAL GOVERNMENT AND REGENERATION COMMITTEE
PUBLIC SECTOR REFORM AND LOCAL GOVERNMENT
SUBMISSION FROM ABERDEEN CITY COUNCIL**

Strand 1 – Partnerships and Outcomes

How could councils better integrate their partners into the process?

Our experience is that partnership working between the Council and its partners is well developed. This is the case in terms of:-

- setting strategic direction through the community planning partnership;
- in the practical planning and delivery of services at a local level through formal arrangements, such as, our Community Safety Partnership, or Integrated Children's Services; and
- a raft of organically grown arrangements, where professionals develop effective partnership relationships in the normal course of their work.

Whilst the local leadership and level of commitment shown by a local authority to community planning will, most likely, have an impact on the participation of partners, the barriers to closer integration are, chiefly, not within councils' sphere of influence. Our response to the next question covers these in more detail.

How could the degree of commitment to the process amongst other community-planning partners be improved?

There are some key drivers which determine the level of commitment to the community planning process across all partners. These include:

- The extent to which audit and inspection regimes focus on organisational issues rather than shared, outcome based, responsibilities;
- The extent to which nationally driven planning and reporting arrangements, to which partners are subject, align with shared local outcomes (e.g. HEAT targets);
- The ability to realise actual return on investment for partners committing to preventative spend. How savings from investment are accounted for;
- The level and visibility of accountability applied to CPPs by the Scottish Government. Engagement and feedback since the first SOAs has been inconsistent.

It may be that a review of the duty to participate in Community Planning would increase its profile, but it seems likely that unless the incentives, in terms of reward and accountability, are aligned, organisations' actions will be driven by other factors.

How can any legislative or administrative barriers that make partnership working more difficult be overcome?

We refer to the bullet points in the response to the above question. Any legislative or administrative changes made at a national level should address aligning incentives with the desire for improved partnership working.

How can local authorities and their partners move further towards real, integrated working?

We would stress the importance of local leadership across all partners. Service integration and / or investment in preventative spend is likely to lead to some organisational and cultural resistance. Strategic leadership and governance of change management is critical to overcoming these barriers.

It is often stated that “middle managers” are central to delivering change. Local authorities and partners can support a change in middle management behaviours through strong leadership and aligning key drivers with the desired outcomes.

At the local level, specific integration needs to be evidence based. The benefits that will accrue to the community and individual service users must be clearly identified. This then needs to be justified through a transparent business case.

What steps would facilitate the sharing of budgets in pursuit of shared outcomes?

We support further integration, or alignment, of budgets and other resources. At a local level the community planning partners in Aberdeen have committed to exploring “place based” initiatives to address social problems which generate service costs for all partners. By capturing the activity and resources deployed by all partners and analysing their relative impact, our ambition is to get common agreement on which actions and spend is effective and to financially support this, irrespective of the partner, or partners, who deliver it. We believe national support for this type of approach would be beneficial.

Future financial costs, and potential returns, must be carefully considered in the disbursement of “change funds”. These provide an opportunity to move to models of shared investment and responsibility.

How can the partners further improve on the progress that has been made and overcome the remaining challenges on engaging communities and

voluntary-sector organisations in the process?

Both the Third Sector and local communities are directly involved in the process of Community Planning at a strategic level, through Aberdeen Council for Voluntary Organisations and the Aberdeen Civic Forum and at a more local level through particular initiatives e.g. Total Place based approach.

The challenge is breaking down the complexity of the landscape that has been developed over the years to get to the position where change/ improvement is perceived as possible and can be demonstrated in a relatively short time frame.

Co-production with funding which is easier to access for community groups in particular, would assist in the rapid response to service gaps in local communities.

How can the community-planning arrangements be adapted and developed to promote outcomes-based and preventative approaches?

The community planning partnerships are the natural body to oversee the investment of change funds and other preventative spend (e.g. Fairer Scotland Fund). The solutions to removing costs are often going to be fundamental social issues (e.g. family based, education) and regardless of the focus of preventive funding streams, their investment needs to be co-ordinated.

However, there requires to be greater incentives for organisations to commit, when the investment in one organisation is likely to lead to cost reductions in other organisations. This also calls for a change in leadership approaches where positional behaviours are replaced by leaders seeking solutions through dialogue.

How is the work of delivery on Single Outcome Agreements (SOA) managed, coordinated and driven through the various community partnership structures and agreements?

Key to this is the integration of the specified local outcomes across the breadth of partnership working through, for example, Integrated Children's Services, Community Safety Partnerships, Economic Forums, etc. as well as within individual partners' business plans.

The role of the CPPs is establishing appropriate shared governance structures and providing clear strategic leadership and supportive scrutiny/challenge.

How could SOAs be improved to deliver on community-planning targets?

It is not the generation of SOAs which deliver on community planning targets. It is unlikely that the outcomes desired across Scotland, and set down in SOAs, will be very different, therefore the more significant factors which will support the delivery of improved outcomes relate back to points made above, namely:-

- Local leadership which supports change in behaviours; and
- National arrangements which incentivise partners to adopt and deliver shared responsibilities (i.e. governance, scrutiny, financial payback, leadership).

If SOAs are to support this, it would assist if they were allowed to be concise with a focus on qualitative outcomes. A high number of local outcomes each with supporting performance metrics can make SOAs inaccessible and dilute the key strategic priorities.

Another point worth giving some consideration is the nature of the scrutiny and accountability to be applied when dealing with complex social outcomes (e.g. poverty) which are sensitive to macro as well as micro influences. If rewards and sanctions are to be applied, the analysis of cause and effect in the movement of outcomes needs to be credible.

What is the purpose of a SOA in assisting the delivery of improved outcomes?

This is covered above. SOAs should set clear strategic priorities which provide the basis for the partners to plan activity and allocate resource. They also provide the framework for a supportive governance structure and the mechanism whereby public services are accountable to the local people, so reporting has to be in a format which is understandable for all.

How are local SOAs developed and how do they relate to national priorities?

To date Aberdeen City's SOA has, as required, followed the model required by the Scottish Government which reflects the, as was, 15 National Outcomes. The development of local outcomes and metrics has been bottom up, both through engagement with and input from the community as well as data, analysis, priorities and activity developed and filtered through the existing, and extensive, network of partnership working. It should also be noted that communities are also involved in the priority setting for the SOA so that the document is about what matters to the City.

How could local authorities and other public bodies contribute more to influencing and improving outcomes in their area?

A clear focus on the City and what matters to our people is the basis on which all public services should be planning and delivering services. Practical adoption of this approach, particularly at middle management level, would support work designed to improve outcomes through the totality of public investment in a neighbourhood, community and local authority level. Managers need to be given the “space” and incentives to work in a way which generates shared solutions which add public value.

How can arrangements, processes and accountability be improved?

Aberdeen City was a case study of the Audit Scotland report “The role of community planning partnerships in economic development” which identified the following:-

“An area of tension is linked to the different local and national democratic structures in Scotland. This is at the root of the different accountability arrangements faced by CPPs. Councils are accountable through local democratic processes while other partners are accountable through the Scottish Government and ultimately to the Scottish Parliament. However, little has been done to address the inherent tensions between national and local priorities and national and local accountability arrangements. CPPs are therefore limited in the extent to which they are able to hold partners to account for their contribution to achieving agreed outcomes. While partners work together under the statutory guidance, the partnerships themselves are not statutory bodies. This means that the extent to which they can be held to account for the delivery of SOAs is limited to the individual partners’ own governance arrangements.

Different governance and accountability arrangements for individual partners are still considered by CPP managers to be a barrier to effective partnership working. Around 70 per cent of CPP managers reported this to be an issue which creates challenges at CPP board level, while around the same percentage reported that this issue also affects the success of their CPP economic theme group.

The ability of CPPs to achieve their potential in improving services and communities will not be fully realised until these areas of tension are resolved.

The Commission on the Future Delivery of Public Services (Christie Commission) report also highlighted this area of tension. It recommended that the Scottish Government should work with local government and other partners to put in place an appropriate set of common powers and duties, focused on the common pursuit of outcomes.”

These are fundamental points. Partners' individual governance structures inevitably inhibit shared planning and accountability through CPPs.

Strand 2 - Benchmarking and Performance Management

What are the main challenges (cultural, technical, geographical or other) in developing performance measurement and benchmarking systems for local authorities across Scotland?

The focus on improving outcomes, which we support, presents a challenge of measurement since movement in social outcomes (which is usually what is meant when government refers to "outcomes") is long term; subject to complex influences; and is, generally, not well supported by data collection and reporting. Current data collection arrangements are often infrequent and reporting is historical (e.g. Scottish Household Survey, Census, etc). The use of this data to drive public sector investment is unconvincing. A national investment to increase frequency, timeliness and sample sizes would be welcomed.

In addition, an acceptance that intermediate and proxy measures can usefully "indicate" direction of travel towards outcomes is required.

One technical challenge for effective performance measurement is the ability to integrate data, through business intelligence models. Consideration may be being given to how this can be impacted through the McClelland Review of ICT Infrastructure in the Public Sector in Scotland.

To what extent has the work undertaken over the last two years by the Improvement Service, Solace and others contributed to developing a common approach to benchmarking across Scotland's local authorities?

Aberdeen City Council has a commitment to benchmarking, however, initiatives over a number of years undertaken at a national level (e.g. Aspire National Efficiency Measures 2006, Menu of Local Outcome Indicators) have had minimum impact on our arrangements. There are two reasons for our benchmarking 1) to identify others from whom we can learn and improve 2) to provide accountability. These drive our Services to identify the most appropriate benchmarks across the range of Services. These can be other Councils (national or international), professional groupings, voluntary sector or private sector. Our experience is that when "one size fits all" approaches are applied, unnecessary energy is used explaining why comparisons are not valid. In addition, consensus on the appropriateness of metrics is difficult to achieve with the result that some prescribed metrics are collected in parallel with local alternatives.

Our understanding is that the significant revision to Statutory Performance Indicators, two or three years ago, was recognition of the need for a local focus to performance measurement and reporting (and, therefore, benchmarking).

What technical or other resources are needed to continue and complete the development of recent work on benchmarking?

We would draw the Committee's attention to work sponsored by Solace and commenced 2 or 3 years ago to develop a national portal for local authorities to make performance information available for the purposes both of supporting audit / inspection and allowing sharing of data for benchmarking.

To what extent can the developing work on benchmarking be extended across community planning partnerships? How can data derived from benchmarking influence the future direction of community planning and the contents of future SOAs?

Amongst the inputs to our SOA is an analysis of the local area which includes, where appropriate, comparisons with nationally available data (e.g. SIMD, economic data, etc). Throughout our Community Planning structure, the comparative position of Aberdeen is one of the key issues which informs our priorities, strategy and actions.

How can the development of benchmarking help improve the performance of local authorities in Scotland?

We believe benchmarking is a very useful method of understanding our business and exploring approaches for improvement. Our experience is that this has most impact when the benchmarking is initiated and designed by the professionals to fit their purpose rather than being imposed at a national level. We are strong advocates of broadening the source of benchmarking to professional groupings and the private sector.

Should the Scottish Government have a role in providing national impetus to the development of benchmarking and performance measurement?

As outlined above, we believe the role of national government should be one of facilitation by improving national data sets and supporting channels of comparative data (e.g. a portal).

Strand 3 - Developing new ways of delivering services

How can cultural and organisational change be promoted to ensure that local authorities and community planning partners are able to work together to develop the kind of integrated services that are aspired to by local communities?

Aberdeen City Council is currently exploring a Public Value approach to performance management. This requires clarity on collective outcomes and a culture which encourages innovation to focus on the impact of activity rather than the method. This approach can also be applied through Community Planning, requiring clear and strong collective leadership which gives the incentive for changes in behaviour.

How can the tensions between shared services creating savings through potential reductions in the number of staff involved and the economic impact brought about by any resulting job losses be resolved?

One aspect of a business case for shared services should be the ability of the shared entity to expand its operations to generate additional business from outwith the area or the public sector. This will, of course, depend on the nature of the service and the sharing (public or private).

Is there scope for further national shared services along the lines of the shared recruitment portal for local authorities “myjobscotland”?

Yes, as asserted, for example, by the McClelland Review of ICT Infrastructure in the Public Sector in Scotland. All such cases would, of course, require to be justified by a transparent business case focussed on the delivery of improved outcomes.

What can be learned from elsewhere, for example from initiatives such as the Nottingham Early Intervention City or the Birmingham total place pilot?

Aberdeen City Community Planning Partnership is also piloting a “Total Place” approach and has undertaken a significant amount of research into collaborative, preventive spend approaches. The key challenges are:-

- 1) applying a methodology for impartially assessing and comparing the impact of mainstream and project led spend across the range of partners and other agencies;
- 2) the uncertainty on how investment in preventative spend by individual organisations will, ultimately, be accounted for through reduced costs for them.

We believe, however, that pursuing this type of approach is a necessity in making Scotland’s public services affordable.

How can innovative delivery methods for services and collaborative arrangements (as mentioned, for example, in the Christie Commission report) help to improve outcomes and tackle embedded social problems focused in defined geographical areas?

As set out above, Aberdeen City believes joint place based approaches should be explored. National research and support for this would be welcomed. We would suggest that working with partners and communities to tackle very local problems is a realistic way of delivering change that is both relevant and manageable.

The focus of the “change funds” should substantially be on delivering medium and long term change in communities’ social problems. There is a strong case for ensuring that the governance for investing each of the change funds is co-ordinated.

Aberdeen City Council has maintained a significant investment of former “Fairer Scotland Fund” monies to tackle social problems and prevent these turning into future costs. The disbursement of the fund is jointly managed by community planning partners and community representatives. We would put this forward as a good model for management of preventative spend.

**Aberdeen City Council
February 2012**