Monday 10 September 2012

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Scottish Parliament

Local Government and Regeneration Committee Benchmarking and Performance Measurement Seminar

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[The Deputy Convener *opened the meeting at 09:37*]

Introduction

The Deputy Convener (Kevin Stewart): Welcome to this Local Government and Regeneration Committee seminar on benchmarking and performance measurement. I am the deputy convener of the Local Government and Regeneration Committee. Following last week's Government reshuffle, the committee is without a convener at the moment, as Joe FitzPatrick has been made the Minister for Parliamentary Business. However, some colleagues from the committee are with me— Margaret Mitchell, Anne McTaggart and John Pentland—and I am sure that they will be very interested to hear what you have to say.

As you will be aware, the committee is undertaking a three-strand inquiry into public services reform. In June, the committee concluded strand 1, which focused on community planning partnerships and outcomes. Today marks the beginning of our work on strand 2, which is concerned with benchmarking and performance measurement in local government in Scotland. The purpose of the inquiry is to consider how benchmarking can effect an improvement in the delivery of public services.

Today will offer a chance to be informed about the purpose and effectiveness of benchmarking but, more important, the committee wants to hear your thoughts and views on benchmarking. The question-and-answer session and the breakout groups this morning, as well as the discussion session this afternoon, will provide you with an opportunity to inform the event and the development of the committee's work. The event is very much the starting point of strand 2, and the outcomes from it will inform the direction that the committee takes as it moves forward with the inquiry.

As you may know, the Society of Local Authority Chief Executives and Senior Managers and the Improvement Service have been developing an approach to benchmarking in local government. This seminar will provide you with details of the work that SOLACE and the IS have undertaken to date, and offer an opportunity to question the authors of the approach.

For your information, we have included in your delegate pack a copy of the committee's work programme. As you will note, the committee will be focusing on public services reform and regeneration over the coming months. The committee is keen to engage with as many stakeholders as possible and wants to hear from you in relation to those matters.

I remind delegates of the questions that are set out in the delegate pack, which will inform the breakout groups, and I invite delegates to keep the questions in mind when listening to the speakers.

Presentations

The Deputy Convener: I am pleased to welcome Dr Clive Grace. He is a former chief executive of Torfaen County Borough Council in Wales and former director-general of the Audit Commission in Wales. He is advising the Tunisian Government on the design of a public services benchmarking system to support the move to federal governance and on the challenge of regional economic development and poverty reduction. He is also dealing with the Nepal Government on civil service reform. Dr Grace is an honorary research fellow at Cardiff business school and an honorary life member of the Chartered Institute of Public Finance and Accountancy and of SOLACE.

Dr Clive Grace (Cardiff University Business School): Good morning and thank you for the invitation to be with you. It is a privilege to be asked to contribute to the committee's work. I am here to contribute, but I very much expect to learn a lot, too.

Sandra Nutley and I are part of a project that is looking at benchmarking of public services internationally. At a conference that we had in London earlier this year, Mark McAteer gave a presentation on what is happening in Scotland. There was huge interest in the collaborative approach that Scotland is taking and the way in which it is engaging stakeholders, so it is good to be here.

I am showing a slide that lists the topics that I plan to go through. The presentation has quite a lot of slides and I do not plan to speak to them all. If people would like to have a copy of the presentation, it is available from Euan Donald and his colleagues. Sandra Nutley and I would be happy to respond to any questions about it.

The issues that I will cover are: what benchmarking is and why it matters; the varieties and scope of benchmarking; the purposes for which it is done; the issues that it raises; theories of change and improvement, in which benchmarking is embedded; the tricky question of politics, politicians and benchmarking—the slide on that took me longer to draft than the rest of the presentation did; the question whether benchmarking is an arrow or a silver bullet; and the importance of a systematic approach.

Benchmarking has its origins in private sector comparisons. For current purposes, it is best thought of not in tight definitional terms but simply as the comparison of services against an external standard. It matters enormously in the public service in the United Kingdom for particular reasons, the first of which is the sheer cost and scale of the services that UK local government

delivers—it is an outlier and is terribly unique internationally. What local government does is very important and is relatively costly—not in unit cost terms, but in overall scale.

Secondly, benchmarking matters because of what people generally refer to as vertical fiscal imbalance—that means that local government delivers most services but generally uses money that is provided centrally. Local taxes are collected, but they form the minority of funds.

Thirdly, notwithstanding the emphasis that people place on local matters, there is public aversion to the postcode lottery. People want to make comparisons and to know how their area is doing compared with others and over time. They are not content with simply holding their own local public services to account. In effect, what we have in the UK is an inversion of that old thing about no taxation without representation. In a curious way, in UK local government, there is local representation and service delivery without a great deal of local taxation.

09:45

When we speak to people in US local government circles about these things, they look a bit surprised. From their point of view, they collect their taxes locally, they spend the money on the services that they are asked to provide, and they are held to account at the ballot box. There is a straightforward relationship in which electoral and fiscal responsibilities are aligned. The lack of alignment in the UK is one of the principal reasons why benchmarking is so critical.

The next slide shows a simple taxonomy of benchmarking, and it underlines how ubiquitous it is. We can benchmark services, corporate capacity, inputs, outputs, outcomes and processes. There are pros and cons in doing all that, but the range of choice is enormous. On how benchmarks are set and what they are set for, there are some correspondences. For example, if we are particularly interested in the economy, financial benchmarks are most likely to take our fancy. If we are interested in efficiency, it will be productivity benchmarks. Excellence is a difficult thing to benchmark, but it has been benchmarked systematically in the UK, and it is usually done around innovation benchmarks.

When we consider who does benchmarking, there is an equally wide range. One can give it to an external agency, as has been done in the UK—in England and Wales at any rate—with the involvement of the Audit Commission. One can have sector-led regulation but with some central supervision, or one can have self-regulation. To my mind, there is no magic about either of those. People generally have a preference for self-

regulation as it feels voluntaristic—it feels right, good and proper. If self-regulation can be made to work, no doubt it is a good way to go, but if it means that data sets have no authority, definitions are not stable and we cannot properly make comparisons, a voluntary approach might not be the right way to go.

Benchmarking is ubiquitous. The next slide, which is entitled "Variety and Scope", shows a list of the different types that we see in England and Wales in particular. I spent some time thinking about whether the particular instruments that have been applied in Scotland, such as best value audits and outcome agreements, represent benchmarks. My provisional conclusion is that they do not. They draw on many benchmarks, but I do not think of those key features that distinguish the Scottish system, as I understand it, as representing a benchmark approach per se. As I said, however, they are built on a lot of benchmark data. That might be a matter for discussion later.

Benchmarking has a variety of purposes. I do not know why we develop lists of things that start with the same letter, but the list on the slide entitled "Purposes" seems to work reasonably well. Benchmarking can be done for the purposes of economy, efficiency, effectiveness or excellence. However, in any system such as this, there can be both potential and some drivers for gaming. We might find that benchmarking is in part—or for some people—about evasion rather than those good purposes. That is perfectly possible. There is also, especially in England, a strong focus on anything that relates to austerity and will help to deliver the austerity agenda. It is critical to the effectiveness of any system to think through the purposes for which one is following it.

I have already alluded to some of the issues. The first, which is slightly technical but absolutely critical, is the definitions that are used and the units for comparison that are chosen. Clearly, that has enormous importance not just in relation to the resources that are applied to generating the data, and to validating it and making it consistent, but to doing it in such a way that one will have definitions that persist over time. There is very little in the benchmarking world that is worth while doing in a snapshot. Snapshots may be relevant for some things but most of the time one is looking for time series, consistency and a valid basis for comparison. That means that definitional matters are important.

Having said that, if we go back to the high priests of benchmarking, who I guess were my colleagues in the Audit Commission who ran the statutory performance indicator sets, at one stage the guidance on the definition of the indicators ran to more than 300 pages. When we get to that point, there are questions about how accessible the guidance is and whether it has become too complicated and cumbersome.

I mentioned that there is currently very little comparison of public services in England, Scotland and Wales. That relates partly to definitions and units, and partly to the different approaches to public services reform. It remains a significant issue, not particularly because one wants to be able to compare countries and say that one country is doing better than another, but because the natural comparators for some of the things that are happening in Wales and Scotland are to be found in England rather than, respectively, Wales and Scotland.

One of the most obvious examples is what is going on in cities and how we benchmark city performance. The difficulty in Wales is that if we want comparators for Cardiff, Newport or Swansea, we have got to start looking outside of Wales. All three Governments—in the UK, Scotland and Wales—need to address that issue more directly.

I mentioned some of the technical issues. There is also the issue of authoritative interpretation—who is being given the responsibility and the right to interpret? It could, of course, along with any technically authoritative person or body, be the public. That is extremely important for transparency and accountability, although it brings its own disciplines and issues.

Just as important, then, is what will happen? Where is the action in response? If we have a system that highlights issues, possibilities and opportunities, as well as problems, and we authoritatively interpret them but have no channels to action, as it were, potentially we undermine the value of the benchmarking system and create a great deal of frustration in the system.

Finally, there is the importance of the wider context of public services reform and the operating theory of improvement. I was impressed that the committee has decided to consider the issue in that wider context—that was absolutely right and essential. Particularly important is the question of what the theory of improvement is, and we may return to that. However, at the end of the day this is about what we think people have to do in order to make change happen. There are lots of candidates for that. Is it about Audit Scotland exposing things? Is it about the chief executives, through the SOLACE branch, resolving to do things better? Is it about the public shining a light on poor performance and responding through the ballot box? It is probably all those things, but what is the mixture? What are we going to support and most encourage when it comes to how we want things to improve in the light of the opportunities and problems that our benchmarking system identifies?

I will run through a few of the slides. In England and for a time in Wales—before devolution—the Michael Barber theory of change and improvement was used. The aim was to drive public services from awful to adequate. How to do that was to inject strong amounts of finance while setting national standards and assessing corporate capacity, developing a public balance scorecard, using a lot of external stimulus and naming and shaming—a system that was typically called "terror and targets". Even Michael Barber does not believe that that is the right system to use if we want to go from good public services to great public services. However, the system represents a coherent approach, whether or not we agree with it.

They knew what they wanted to do and they were willing to accept the description of their system as being one of "terror and targets" because they figured that they had to drive public services from awful to adequate. That is what they thought that they were doing from 1998 to 2004-05. They had a coherent theory, which they backed with a benchmarking system to give themselves the data. They resourced it in very particular ways—they gave themselves intervention powers so that they could provide action and response. It was a comprehensive approach. It is history now, but I want to draw attention to the facts that it was comprehensive, connected and thought through.

The public services reform approach and theory slide shows how the Blair and Brown Government described the system. Again, there is a lot of variance, but it is one of the most coherent, thought-through approaches, which tries to consider the different forces that make up better public services and how they all fit together. That was probably the high-water mark for best-value performance indicators. There was comprehensive performance assessment—single and upper tier—which I imagine members are familiar with by reputation, although it is not the path that Scotland took. A comprehensive area assessment was an extension of that, which took it closer to some of the approaches that have been more attractive to the Scottish Government and to Scottish public services, but it was still a bit different. Peer review has been more popular in Scotland and it remains an important methodology, although it has very distinct limits.

If members want to analyse those approaches more formally, the slide on "Risk regulatory regimes" shows the best schema that Sandra Nutley and I—and other colleagues—have seen and applied. It comes from the work of Christopher Hood. It is relevant, because those approaches are risk regulatory regimes. That may seem like an odd thing to call them, but fundamentally we are looking at the risk of not having better public services. We are thinking about how that will be regulated—it could be self-regulated, it does not have to be regulated by an external body. It is a regime—a comprehensive approach. That is one way of making formal comparisons if members want to do that at some stage.

I should pause at the slide entitled, "Politics, Politicians, and Benchmarking", given that I am in the Scottish Parliament. I genuinely think that the relationship between politics, politicians and benchmarking is a marriage made in both heaven and hell. Fundamentally, politicians are accountable for public services. The administrators, the apparatchiki—people such as Alex Linkston and me when we were in our old jobs—have a part to play, but at the end of the day such processes are driven by politicians who want better things for their communities and better outcomes for their society. That is absolutely right.

10:00

That is the critical political accountability that underpins all public service improvement. However, there are huge problems related, in particular, to the time horizons of politicians, because it is very difficult for a politician to have a time horizon around matters related to public services, which give rise to so much feeling. It is very difficult to say, "Don't worry—our benchmarking system shows where the issues are, we have a plan and in two or three years' time you will see change that is beneficial." It is much more likely that there will be a different kind of response. You are the experts on that, so I will not describe it.

Great benchmarking of public services and using it well require tremendous political self-discipline. That is very difficult when politicians are subject to the pressures that they are subject to in the modern world.

The next slide is entitled, "An arrow not a silver bullet". I think that you are already ahead of that in your approach. Benchmarking is an arrow in the quiver of public services improvement; it is not the answer. It is always best applied from what I call the improvement end of the telescope. You should ask, "What do I want to improve? How do I think that will happen? How do I assess where public services are and what will move them on? Do I want to measure only the outcome: the eventual improvement? Alternatively, do I want to measure some of the intermediate processes?"

For example, CPA measured a lot of the intermediate processes. It measured whether the council had the corporate capacity to deliver what was needed. Best-value audit also did that to a considerable extent, although it did not have the same external benchmarking and judgmental

qualities as CPA. The sense of what you want to improve and why should guide the benchmarking system rather than what is easiest to measure, what people are clamouring for today and what they clamoured for yesterday. You must have a broader sense of what you want to improve, because that will give you a sea anchor and a rudder when you are buffeted by the winds of public opinion.

Benchmarking is therefore applied from the improvement end of the telescope in the context of a thought-through policy of public services reform and improvement and, ideally—this is very important—a fair degree of political consensus. If you can get agreement across political parties on the kind of benchmarking system that you will have, that is important to the administrators and the local authorities who are trying to deliver services and to the public. The support of key stakeholders is also necessary. You have clearly taken that approach.

I emphasise that it is important to be systematic, but it is not about having one overarching, complete system. You must work out and carefully define the benchmarking approach. That does not guarantee success, but you can be almost certain that if you do not work it out that guarantees failure; it may not be failure this year or next year, but it will be failure within three to four years. The history of public services in the UK is littered with failed and altered systems of benchmarking. One benchmarking system does not fit all. Different services and situations call for different benchmarking solutions.

The Deputy Convener: Thank you very much, Dr Grace. When you have read the final report, it will be interesting to learn whether you think that the committee has shown tremendous political self-discipline. Thus far in the inquiry, there has been a fair amount of cross-party support and I hope that that will continue.

Our next speaker is Mark McAteer, of the Improvement Service. He was supposed to be accompanied today by Ronnie Hinds of SOLACE, but unfortunately Ronnie is ill, so Mark is a solo act rather than a double act.

Improvement Scotland and SOLACE have been working collaboratively to come up with a comparative benchmarking framework for Scottish local government in terms of cost, productivity and related outcomes. Today, Mark will tell us what he has been up to thus far.

Mark McAteer (Improvement Service): I offer apologies from Ronnie Hinds for the fact that he is unable to make it here this morning.

I will briefly take you through the background to the project, then I will give an example of how we

are using some of the data within the benchmarking framework.

I agree with a lot of what Clive Grace said. Perhaps we can talk about some of the consistencies between us in the question-and-answer session.

Earlier, we heard that purpose is important. Roughly two years ago, when SOLACE approached the Improvement Service to undertake the work on benchmarking, we agreed a clear statement of purpose for the exercise and what it was designed to achieve. From the outset, of critical importance to SOLACE was that the exercise should drive improvement in council service delivery. To do that, SOLACE wanted a genuine comparative framework for performance across all 32 councils—it is important to state that all 32 councils are part of the exercise. Given the times that we are in, there was a strong emphasis on the efficiency and cost elements of council service delivery, but there was also a desire not to lose sight of productivity, service quality and outcomes. The aim of the exercise was to get a greater understanding of all those factors.

Initially, the brief that we were given involved a concentration on big-ticket issues—the areas of major service expenditure—and those are what we have largely focused on, although, in terms of development, we will consider a range of other areas.

We agreed from the outset the principle that the process had to be genuinely consensual. We had to ensure that all 32 councils remained involved in the project, or else it would have lost some of its power. In the two years since initiation, there have been lengthy discussions and negotiations with the 32 councils in order to get consensus on each of the stages that we have gone through.

We were also clear from the outset that the indicators that we ended up with were to be high level. In a sense, they would be can openers—they would not explain everything about councils and their performance, but would enable chief executives to open up the can of their services and see how their delivery of a service compares to that of other councils, and then drill down into that to explain any variation in the level of delivery.

From the outset, the key point was to get common understanding through data of where councils vary across service performance and then explore why that is the case and work out what must be done to improve services. Therefore, the information about those major areas of service performance had to be comparable across all 32 councils simultaneously.

As I said, the project has been on the go for roughly two years. Initially, we set up a service classification across big-ticket service areas, such

as children's services, corporate services and social work. In each of the areas in which we developed indicators, we started off by asking whether there were existing indicators that could be useful or whether we would have to develop something from scratch. We used some criteria to help ensure consistency in that process, such as how relevant the data was to the service, whether the data that we were going to pull in was going to be unambiguous and clear in terms of what it could tell us, how timely the data was, how accessible and consistent the data was, how cost-effective it was to collect the data—we did not want to create a whole new industry around the data collection process; we wanted the process to be as streamlined as possible—and how statistically robust the information was.

The project had to help councils materially improve. The exercise is not one of gathering data for the sake of it; it is designed to get the data to the point at which it can help councils drive improvement in their performance.

With regard to outputs from the exercise, we have around 47 indicators with robust, reliable and consistent data and have identified about eight other areas that require some work to improve them. Those areas, which include economic development and planning, have been tagged for development in the next iteration of the exercise. Although they are not big-ticket, big-spend areas, they are strategically important to councils' activities and we will, with our colleagues, develop some indicators for them. Throughout all this work, we have had on-going discussions with Audit Scotland, which over the past couple of months has identified a couple of other areas that we will incorporate into the framework's next iteration.

I reiterate that we are getting close to a balanced scorecard for cost, output and customer satisfaction information on all those major service areas in Scotland. The work has been done in collaboration with councils, which have fed into the development of each of the indicators, the understanding of the data that underpins them and so on, and we have now gathered those indicators for the first year of the exercise.

Our baseline year is 2010-11. I realise that that is now some time ago, but of course that is one of the challenges that we face with regard to the timeliness of data in public services. As I said, we have gathered the indicators; we also have three years of previous data. One exercise with the data was to better account for support costs across council services and in the 2010-11 exercise we have worked with directors of finance to better understand where we can apportion service support costs in councils' financial information. Some support costs go directly to services such as education and social work, while others are in a corporate pot. However, given that councils do not necessarily locate and account for the same services in the same parts of the accountancy system, we have had to clean up data, which has meant that our previous three years' data is not 100 per cent comparable with the data from our base year. Nevertheless, it is still useful for interrogating the base year figures. Now that we and directors of finance have cleaned up the base year data, we have pulled all the information together in order to find out the position of different councils against it across the piece. I will give an example in a moment or two.

Our core data source is the local financial return, which represents council costs that have gone through an audit process. Although such figures were not designed for benchmarking purposes, they are still very useful in that respect and, over the past six or seven months, we and directors of finance have been strengthening some of the classifications around the data underpinning the LFR to ensure that it is much more robust and comparable across all 32 councils. We have also drawn on data from statutory performance indicators, which are quality indicators in their own right and individually very useful.

As I said, we also have customer satisfaction data, which comes from the Scottish household survey. It is a flawed data source because as you get down to individual council level the sample sizes become pretty small. However, it is the best data that we have at the moment and we are using it as a form of holding position until we can evolve better satisfaction data gathering consistently across all 32 councils. To be fair, I think that overall the weakest area has been support costs for corporate services, hence the exercise that we have carried out with directors of finance over the past six or seven months to improve the availability and quality of such data.

We have agreed with SOLACE the development of family groups among the 32 councils, by which I mean that we will group councils on a like-for-like basis to allow them to get into much more detailed, drill-down activity to explain, for example, variations and what is going behind the scenes and behind the numbers. In order to do that, we examined a variety of methodologies and approaches, including those taken by the Chartered Institute of Public Finance and Accountancy, Education Scotland and the Local Government Data Unit Wales—indeed, we will hear from Andrew Stephens from the Data Unit in a moment—and found that most of them have a very similar methodology for grouping organisations. As a result, we have adopted most of those methodological approaches, which involve using the socioeconomic characteristics of the population served by an organisation to construct the family group. We have agreed with

SOLACE a draft set of groupings, which will be signed off in the next few weeks. Of course, councils will work not only within their family group in the project; they will have access to all 32 councils and will be perfectly at liberty to explore some of the issues behind the numbers with an authority outwith their family group.

10:15

As Clive Grace said, the key point in all this is to get beyond simple numbers and data and move towards improvement. That becomes the focus of the project. From the outset—again, this strikes a chord with what Clive Grace said—we were aware of the danger of ending up with league tables. When we publish performance data, council x is deemed to be at the top and council y is deemed to be the worst and so on, while the story that lies behind all that is much more complex and sophisticated. When we get the data together, we know that how we analyse and present them to the public is important, because we have to explain complex rather than just simple issues. I will give an example of how that works in a minute or two.

SOLACE works with all 32 councils and all services within the framework, so we have had to try to work out a common interpretive process. How do we collectively approach the data? What is the data starting to tell us about various councils' performance and so on? We have also had to begin to read the data in the round rather than just looking at cost data in isolation from performance data and customer satisfaction data. We need to look at it all together to come to a rounded assessment of how different services are performing and make judgments about what it is within each service that drives high levels of performance. We are trying to link all the data sources together.

We are also doing a separate piece of work with councils to build profiles within their areas, looking at various social and other demographic factors. We will bring that data source together with the financial and other data under benchmarking to give councils a rounded understanding of their community as well as the performance of their services.

A final theme that might be worth exploring in the discussion groups is about how we link all this with genuine improvement activity once the data is pulled together, so that it becomes part of the day job of services and is not just a statistical exercise. The analysts will be happy if we have lots of data and numbers to fling about the place, but the information genuinely needs to help to improve the services.

I will give an example. The slide shows a chart entitled "Education: Spend per Secondary Pupil" that gives the 2010-11 education spend data—the cost per secondary pupil for all 32 councils, although I have taken the names off. The red line running across the chart is the median for Scottish spend on pupils at secondary school. By and large, the median is a better comparator to use for the average than the mean because it allows us to account for some of the outliers.

Such a chart is uninteresting. It does not tell us much: it just tells us that one council spends more than the rest but it does not explain why one council performs better or spends more or less than another. We need to dig into the data, and I will give you an idea of the process that we are going through with all the indicators.

The chart in the next slide the impact across the piece of knocking out some of the high spenders. Because of the nature of their community, some local authorities—we could name them but we do not have to—might end up spending much more on a individual service than would otherwise be the case. If we knock them out, what does that do to the overall figures? First, the range of what councils spend decreases significantly by just over £2,000, but the median figure only goes down by £103, which shows that the high spends are not distorting the picture as much as we might have assumed. Once we start to break down the figures a wee bit, it starts us on a whole different series of questions.

Spend is only one thing, so let us look at educational performance data alongside spend data. If a council spends more money, does it get better performance results? The black line on the chart entitled "Education: Spend Per Secondary Pupil & Standard Grades" is the median for education performance, and the jagged blue line shows the education performance figures for the corresponding authorities. The chart suggests that there is no linear relationship between how much is spent and performance results, and that raises questions. Indeed, that was the whole point of the exercise from the outset: we wanted to get data to the point at which we could start to raise questions about council performance, explore the issues, truly understand what was going on and then share good practice off the back of that.

The next slide shows peaks and troughs in performance as set against some of the figures. Let us pick out a couple. For example, if we take out the outliers, does that have a material impact? The answer is that it does not have a huge impact because educational performance does not shift much in line with what happens with the spend. Let us look at two local authorities—one a city authority and one a suburban authority—which point up some interesting issues. The suburban

authority shows high performance with below-median spend, while the city shows higher spend and below-median performance.

The figures at this stage still do not explain why, but they allow us to open up the can and explore things in more detail. We need to look at the underpinning production factors, which is what we are doing with SOLACE. What does money get spent on, and does that in itself make a difference to things such as education performance? Is it a case of how money is spent on staff assets—does employing more teachers give better results? Does putting more money into classroom support and classroom assistants translate into better performance results? How is the estate used? Such questions become interesting and we can explore them with the different councils once we drill down into the figures.

Another factor that is worth pointing out is the impact on some councils of public-private partnership costs. A number of years ago if a council wished to renew its school estate, it had to go down a PPP route. That now has costs for the councils that went down that route, which shows in some of their service spend. Those councils will argue that it was an investment in education and that performance results will start to improve for children. We can now work with those authorities, and the others, to try to test some those assumptions.

That starts to get us towards what the genuine service issues are—the things that we can focus on and improve—as opposed to the background issues. Not surprisingly, there are differences between an urban authority and a suburban authority in the social composition the communities that the children come from they come from, which impacts on the service. That points us towards asking where and when such differences fully matter for the service.

Let us add another layer to show educational performance in relation to the Scottish index of multiple deprivation. We have looked at the educational performance of the kids in the bottom 15 per cent of SIMD data zones. Again, the trend is broadly similar to that which we see when we look at raw education data for all children. However, it raises some interesting questions about what is going on, and not simply in the city authority and the suburban authority that I have highlighted. The interesting thing about the city authority is that the gap between the results for the children in the bottom 15 per cent SIMD data zones and the median is narrower than may have been assumed. Something is going on at that level in some of the schools in the area that is worthy of exploration. One would have assumed a much bigger gap. Some good things are happening in some schools; let us now find out what they are

and share that practice—not just across that authority, but beyond it, into other councils. The data is designed to facilitate and open up that kind of process and discussion.

Equally, if we pick out a group of authorities that are similar to that city authority in terms of their social demographics, we can see broadly similar trends but achievement of different performance standards. That licenses us to explore with those authorities what is truly going on, the factors of production that differ between them and whether any of those factors relate to service improvement and performance. If any do, we can ask what they are and how they can be shared and built into other services.

That is the kind of process that we are going through with the councils across all the indicators to explore what sits beneath the data. What is going on that is about services, their failings and performance improvements? What things are in the background that a council service must absorb as part of its social catchment and so on?

I recommend caution on a couple of things. This is snapshot data, and Clive Grace was right to say that we should be wary of relying on it. The data is from one year, 2010-11, and tells us nothing about where each of the councils are in relation to the different investment cycles within their services and what has been the trend spend and trend performance. The suburban authority that we looked at could simply have had a great year for exam results. We have to go back and look at past performance to understand where we are for each of those services. We need to be aware of the different make-up of the factors of production across different councils and start to explore the impact that those factors are truly having on service performance. The social economics of the community are important and we need to explore where and why they are important and how we can work with communities in different ways to help develop improvement, if appropriate.

We need to get below the council level. In education terms, we need to start to look at schools and how things function at that level, understand what is going on and share some of the good practice. That is also true of other service areas. To begin with, consistency by the council through the framework allows us to target where and to what level we drill down to truly understand performance.

Going back to how this will ultimately be reported, what is the story behind all of this? What do the numbers tell us? What is really being said about councils or performance that we have to think hard about? Even on the basis of the half a dozen slides that I have stuck up, it can be seen that there is already a very complex story. How do we explain the complexity? I am not talking about

explaining things away, but about truly understanding complex factors and accounting for them as part of our public performance reporting mechanisms.

I have some reflections on which to finish.

We are strong on input and output data across local government and, indeed, across most of the public sector, but we need to improve the outcome data on the differences that services ultimately make to people's lives. The trouble is that that extends us into the partnership arena beyond local government. If we want to truly understand outcomes and our impacts on them, we need to go beyond local government as part of the exercise. That in itself will be complex. There are different systems, different data and different ways of defining things purely on the technical side, never mind the politics that that will generate.

There are issues around the data time lag. As I said, we are working with 2010-11 as the base year not because that is what we necessarily want to do, but because the 2010-11 data is the most robust and accurate set that we have as a result of the various processes that we have to go through to get data into the public domain across the public sector. There are things that we can do to improve the timely availability of data.

We have to think within the broader public service reform agenda in Scotland post-Christie, as the committee is rightly doing. How do we disaggregate down to the lowest level to understand what is going on in communities? How do we genuinely take a hard outcome-focused approach to service performance? There are big questions around how the project will take on board some of the messages. How can we work with partners to help not only to strengthen the SOLACE work, but potentially to take forward work with partners?

How can we engage the customer or service user? Towards the end of this year, we will publish a consolidated report—for want of a better term—that will look across all 32 councils at what is going on and the kinds of issues that the data throws up. I hope that members of the public will pick up that report, have a look at it and understand better what is going on in their area. However, there are a couple of things to think about. Will they be interested? It will be interesting to see what kind of focus there is. I am sure that the red tops and the media will take some interest initially, but we will have to test what customers eventually make of the information and ensure that we are getting things right. Even if we are, what can they then do? Are we licensing people to start passporting around who their service provider will be? A person might say, "I want to go to council X, not council Y." There are such issues. A big question

is how empowered the customer will genuinely be at the end of the day across the public services.

What role is there for the national Government and, I dare say, bodies such as the Parliament? I think that, working with local government, national Government can help to improve data, get it in a timely fashion that is closer to being live, and focus it in the ways that we need to support benchmarking. It must also look at the broader performance landscape and how we can declutter it in order to create space for the approach to grow, evolve, develop and get embedded in local government. If there are competing performance frameworks out there, we have to make judgments about what we think are the most powerful and back, support and resource them, and make clear space to allow them to grow properly.

On the responsibility for local government, we have chosen a self-assessment and self-evaluation road, as Clive Grace said, and we need to get that right and continue to develop, grow and strengthen the framework. We need to work together to share not just numbers and data but learning, good performance and reasons why services are performing well. We need to be disciplined about that, and we need to grow and develop confidence within the system that the approach is correct.

It is clear that there are some risks. We will put consolidated information out into the public domain, so there will be a risk to some councils' reputations, for example. So far, all 32 councils have agreed that they will continue to be involved, but nevertheless we need to help to build confidence in councils that it is the right thing to do.

That takes us back to Clive Grace's theories of improvement. Public accountability is a key driver of improvement, and one of our jobs as local authorities is to facilitate that in order to get that dynamic within the system.

Getting the system and culture right, and sustaining the commitment to that, will be a big challenge for local authorities. Again, I absolutely agree with Clive Grace. We have to sustain commitment to such approaches in order to get the pay-off. They do not deliver overnight: we have to remain with them, back them and continue to drive them forward.

The Deputy Convener: The final speaker of the morning session is Andrew Stephens, executive director of the Local Government Data Unit Wales. The Data Unit is part of the local government family in Wales. The unit provides a range of support to the Welsh Local Government Association and to Welsh local authorities and their partners. It provides support and input in areas such as survey design and analysis, data

collection management and dissemination, performance measurement and management, benchmarking and IT system development and support. Prior to moving to the Data Unit, Andrew held a variety of posts in the Office for National Statistics, including managing large data collections, statistical methodology and quality and developing national statistics policies. I welcome Andrew to the meeting.

10:30

Andrew Stephens (Local Government Data Unit Wales): I thank the committee for inviting me to talk to you today. I will touch superficially on a number of subjects that Mark McAteer and Clive Grace talked about, but I hope we can pick up on some of them later in the discussion.

My main emphasis will be on the structure of the local government performance improvement framework in Wales, how it operates in practice and the role of the Data Unit. Some of the challenge and issues will be common to those described by Clive and Mark. There is also some alignment with what you are doing in Scotland.

Like Scotland, Wales has a national devolved Government and it has 22 unitary authorities. Our authorities vary significantly, from small councils with populations of around 55,000 to Cardiff, which has a population of 340,000. We have quite a varied landscape of unitary authorities, with both rural authorities and city authorities.

Our performance improvement framework is relatively new. I have been working in local government for nine years and this is the third iteration. We had two performance measurement frameworks and now we have a performance improvement framework. I use the word "iteration" because it is not a complete change; we develop the framework as we learn more and as we see what worked and what did not. There is also some response to the impact of devolution.

The local government performance improvement framework consists of three tiers. At the top is a set of national strategic indicators, which are set in statute and owned by the Welsh Government.

Beneath those indicators is a set of public accountability measures, which are owned by local government. The measures are indicators to do with holding local government to account and they are in the public domain. For example, my organisation published the 2011-12 performance public accountability measures last Tuesday with a short report and press release and the data is available on our website. On Wednesday morning, the national daily newspaper of Wales, the *Western Mail*, published a two-page spread on the indicators that it regarded as important. We do not

compile a league table of authorities, but the *Western Mail* does by analysing the set of indicators—it changes each year and it is not the way I would do it. The table ranks the 22 councils in Wales. Unfortunately, in the several years the newspaper has been compiling the league table the same council always comes at the bottom in the methodology used. Those are the indicators that are in the public domain.

Sitting beneath the public accountability measures is a much larger set of what we call service improvement data, which is owned by local government. Under the Welsh Government local government measure, local government must collate data and benchmark our performance. What we must do under each of the indicators is not specified—the measure does not specify much about how we should benchmark our performance, but we are compelled to do it. We have a set of service improvement data, which is a mixture of performance indicators and contextual data, which is the type of thing that Mark McAteer talked about—information on population density differences and data from the Welsh index of multiple deprivation. Those measures are compartmentalised into service areas akin to the list that Mark showed in relation to what is proposed in Scotland.

That is what the framework looks like. I thought that I would say a little about how it works in practice. The process is still evolving. I have not come here to tell you that we have cracked it in Wales. The fact that we are on our third iteration in the past 10 years tells you that we are still evolving. In several service areas in local government, we have well-established benchmarking clubs, which have operated for many years, regardless of the national framework that sat above them. At the moment, we are adding to that set as more service areas take benchmarking more seriously at the service level.

A key thing that has been required for that to happen has been a culture change. When I moved into local government, there was a set of performance measures. Let us just say that there were 150-plus of them, and there was very little ownership of them in the service areas. Service areas worked to develop them, but ownership of performance and the reporting of it often lay at the corporate centre in local authorities. We needed to work quite hard on a culture change that involved moving away from performance measures and performance data being seen as being in the hands of and being the role of the corporate performance leads in local authorities. To seriously change performance, it needed to be part of the day-to-day job of the service managers and the service leaders in the service areas across local authorities. Over the past few years,

we have spent quite a lot of time working with the service areas to bring about that change.

It is not just the service areas that need to take ownership of performance; it is also necessary for the performance leads and the corporate centres in authorities to push such ownership and to say, "Can we help you use this data to improve?", instead of asking service areas to give them data once or twice a year on how the service is performing.

As the deputy convener mentioned, the Data Unit is part of the local government family. We are a company limited by guarantee, but we are wholly owned by the Welsh Local Government Association. That gives us an arm's-length role in the way that we manage and look after data, and it gives us some independence and integrity as regards the publishing of data.

We sit right at the centre of performance management and the framework. We provide a range of central support similar to the support that the Improvement Service provides in Scotland, which Mark McAteer told us about. Part of that is about development of the data sets. Mention has been made of definitions. Definitions are important, because if you really want service improvement, you need to move away from discussing definitions of the data and consider what it means, what one authority is doing better than another and how authorities can learn from one another. That means that it is necessary to put some work into getting the definitions right. Although it is perhaps not as large as the guidance that existed in England, which Clive Grace described, we have very detailed guidance on each of our indicators. That includes guidance on the indicators that are in the public domain and definitions of some of the service improvement performance measures.

It is about getting the balance right. Interestingly, if we leave the guidance too loose, people ask us for information. My organisation has a performance indicator helpline that local authorities can phone if they want to know more about the indicators and what they should be collecting. They want detail about what they should collect and how they can set up their systems to collect things that are compatible across authorities. Our role involves definitions: we work with the service areas to find out what is important to them and what data they need to manage, understand and improve the service, and we then help them to put those sets together and provide definitions.

We have a role around collation and dissemination and sharing, which I will come on to. That is an important element, and we need to make it as simple as possible. In the past two or three years, we have striven to move away from an industry culture of collecting and collating data towards using that data to drive improvement. We do what we can to make that collection and dissemination as smooth as possible.

Increasingly, we have a role in value-added analysis, which is the type of thing that Mark McAteer was describing—the "So what?" element. For example, some of the benchmarking clubs commissioned us to take the 2011-12 data and try to paint a picture with it using contextual data or other available financial benchmarking data. We then ask what that tells us about the service, how it has moved forward and where the differences are in performance across authorities.

The other part of our role involves supporting data use locally. That may involve going in and working with a particular service to look at their performance data and the data from others, and trying to work out how they can improve their service. It is not about the data but about moving from the data to how we improve the service. Sometimes we bring high-performing authorities together with other authorities that are not performing as well to try to get that engagement going.

I will describe one example of how it works in practice. I use the word "model" on the slide, but I have taken the model from several of our benchmarking clubs that work in this way. We have recently done some work—it is now in its second year—on children's services with a subset of local authorities in Wales. I have used the model to describe what they did in service improvement and benchmarking.

The first element is the safe environment. I am sure that we will discuss the role of the media and regulators, and the public and private data question. We brought together a set of service managers from six authorities, who were interested in moving the delivery of children's services forward, in what we called a safe environment, which contained just them and us as facilitators. There was a lot of debate about whether we should bring in the children's services regulators—the inspectorate body—which would have something valuable to bring to the table about where priorities should lie. We brought in the regulators, but there was still a safe environment.

We chose 12 key performance indicators around children services and used them to look at what the benchmarking data was telling us. We started by considering data issues such as whether we are all collecting the same thing— whether we are comparing apples and oranges, apples and pears or just apples. We have to discuss those issues before we can move on to the "So what?" question. We did some work

around that, and there were issues with people measuring things at different points in the process.

Some authorities realised that, to understand their performance, they had to rework their data so that it was more comparable with everybody else's. They then moved on from the data to find out what the differences were in service performance, which means asking other authorities what they do, whether they have processes, whether they have learned from others and what some of the less efficient or less effective authorities can do to learn. It is not surprising that some authorities are at the top on some indicators and others on others, which means that there is a good learning process that is not all one-way traffic.

10:45

Even in that environment it was not just about members of the group going back to their authorities. Some who saw that they had a way to go presented to the group some of the things that they were going to do to improve their performance locally. The group has continued to meet about every four or five months over a period of 15 to 18 months.

That is how some of the service improvement data is used in anger, if you like.

I will pick up on some of the issues and challenges that we face. Mark McAteer alluded earlier to data quality. We must have comparable data; otherwise people will spend all their time arguing about the data. We reached a point about two years ago at which the chief executive of the Welsh Local Government Association responded to a question during our press briefing on the day of the data's release by saying, "Well, once it's in the public domain, that's the data." That is quite powerful in a way because it means that arguments about the data stop, as does using that as an excuse for performance locally. Authorities then move on to doing something about the performance.

Nevertheless, data quality is an issue. What we have noticed in Wales is that the biggest driver of data quality is use. If the data is used, it improves. That is one of the drivers of the culture change. In some cases, data was passed to the corporate centre ahead of publication and the service areas did not worry about it again and were not challenged. They were challenged if data was suddenly in front of the chief executive that showed that they were the worst performer in Wales or were in the bottom quarter. However, if they were in the middle quarter, the attitude was that they had passed the performance data on and no one had questioned them about it. The data

was not used again or assessed to see whether it was right.

The other issue is what data quality means. There is the feeling that if data is in the public domain, it must be as right as people can get it. Some of our data goes through the auditors before it is published. However, there is also the idea of its being good enough for service benchmarking. We have started using that quite a lot. If it is good enough to have an initial dialogue on it, that is okay. We should not spend ages on definitions. If it is good enough for us to have an initial dialogue about understanding service performance, that is okay. However, the tension around quality appears when we talk about public data and private data.

Culture continues to be an issue. It is about sharing ownership of the data with the people who deliver the service.

The next issue is whether the data should be public—that is an area of tension. We have quite a small set of data in the public domain but, under freedom of information, any of it could be in the public domain. We have been talking with the Welsh Government about the point that, if there is to be partnership working to deliver service improvement, people outside the local government family must have access to some of the data.

Wales has cross-agency local service boards that are responsible for delivering key cross-agency improvement. They need access to a range of data, some of which sits in local government. We must get that balance right; that brings tensions in relation to openness, honesty, sharing and quality—all of that.

Linked to that is the regulators' role. We have the Wales Audit Office and the regulators of individual services, such as Estyn for schools. How do we use their skills and experience to help us in performance improvement, at the same time as understanding that they are regulators? When we worked with children's services, we had a data sharing agreement with the regulators. It would not be right for a service manager to share and be open with the regulators in such an environment and then find that their chief exec had a letter from a regulator saying that a service was not good enough.

Another challenge for us is going beyond Wales—we have referred to that. As Clive Grace said, the natural comparators for our cities might not be in Wales, and where does even a rural authority that wants to benchmark for excellence go if it is in the top quartile? We have done some work and found that sets of comparable data are limited. It will be a challenge to think about how we as the UK manage to achieve consistency to allow

us to do some of that work, at least at levels that help us in key services.

Where next? There needs to be further development of the indicator sets, which picks up on a challenge that Mark McAteer described. We must keep the sets of indicators relevant, because we do not want other sets or frameworks to come along that detract from the key framework to which we are working. We need to ensure that that framework is aligned with key Welsh Government and local government priorities.

We, too, have a challenge in relation to process measures, of which we have quite a lot. We have been very good at measuring processes but less good at measuring outcomes, particularly in some services. That is a challenge. We need to develop more outcome measures, which brings a range of challenges, particularly as the improvement to achieve some outcomes is not seen from short to medium-term investment. We also have a programme of service area development.

We must encourage and support the use of data. We are still moving forward on the culture thing. We need to do more on value-added analysis. We have just released a new benchmarking hub, which I hope to show you and about which I would be happy to talk to others separately.

Frequency is another issue. We have just published the 2011-12 data, but some of that is about performance in April 2011. Why do we benchmark? In some cases, we benchmark to understand our performance right now. Does that mean that we might want to collect and share some sets of indicators quarterly? We are moving to that now.

We talk about how we disseminate the data. We have what we call a benchmarking hub—it is on the screen, although delegates will not be able to read what is shown—which relates to the key point about sharing data. The hub is available to all local authorities and people outside, although they have to register. That gives them access to the benchmarking club data to try to facilitate use. However, what they are told up front is that although they can use their local authority data and the Wales averages or quartiles publicly, they cannot use any other local authority's data without its express permission.

I will give you an example from children's services. What we have here is access to the annual data for that service, by indicator. We have access to the data over time, which is picking up on a lot of our data sets. We have a series. The next image should be the 2011-12 data. I can pick an authority, and here we have a basket of measures, because often it is not sensible to look at one measure in isolation. Green is the top

quartile of performance and red is the bottom quartile. The blue line tells the authority, which in this case is Powys, how it is doing in terms of the basket of measures. At an instant it can see that it is doing reasonably well, and it can compare itself with Wales.

The idea is to give authorities a tool to use the data in the way in which they want to use it locally. A local authority can choose any one of the indicators by year and look at how it is doing compared to other authorities. There is another tool for looking at performance across the authority. It is a similar bar chart to the one that Mark McAteer showed except that it shows how performance changes over a 10-year period. All of that data can be extracted into a jpeg and put into reports. It is important that local authorities can get hold of the data quickly.

I hope that that gives you a flavour of some of the things that we are doing in Wales. We have not cracked it, but we are making significant progress.

The Deputy Convener: Thank you very much.

Question-and-answer Session

The Deputy Convener: We will now have a question-and-answer session. We will take questions not just from within the room but by tweet. The event is being webcast—I am sure that we are making a major dent in the viewing figures of "The Jeremy Kyle Show" and "This Morning".

If you wish to ask a question, please wait for the roving mike to get to you, and please state your name and which organisation you are representing today.

I will start the ball rolling by asking Mark McAteer a question. You mentioned reputation during your presentation. Elected members are always particularly worried about reputation. Quite often, they have not been quite so open and transparent, and they have been a little bit scared of some of the work that has been going on. Are we overcoming that?

Mark McAteer: I suppose that the short answer is that time will tell. When we have taken the developments of the framework to Convention of Scottish Local Authorities leaders to discuss it with them, we have had nothing but backing from them. All the major parties represented through COSLA are consistent in their support for the project.

It has always been part of my experience of working with councils that they want to know how they compare against other areas in Scotland. What they are also saying now is that that information should simultaneously be in the public domain. We are seeing a change taking place. No doubt certain political games will be played in the months ahead when the framework finally gets into the public domain, but that is part of life. We simply need to get on and grow up quickly around these things. Nevertheless, elected members are telling us that they support what they see as a positive development.

11:00

The Deputy Convener: Do I see any hands? You are all being very quiet.

David Cullum (Clerk): Just to give people some more thinking time for questions—

The Deputy Convener: You have broken the golden rule, David. You need to name your organisation.

David Cullum: Sorry—I will be getting into real trouble with my previous bosses. I am clerk to the Local Government and Regeneration Committee.

My question is for either Dr Grace or Andrew Stephens. I was simply wondering whether benchmarking is nothing more than the latest fad and whether there are any examples of its having improved performance.

Andrew Stephens: Over the past 10 years, we in Wales have taken a fairly consistent approach, albeit with slightly different iterations of the framework, and for the past six have put at least some of the data that we have produced into the public domain. As a result, I do not think that it is a fad.

On the question whether it has made a difference, I can give you examples of a number of indicators in the public domain in Wales that the minister has often used to criticise the range of performance between the best and worst local authorities and in at least one of those indicators the performance range has halved over the past three to four years. Of course, that is to do with public scrutiny. In local benchmarking, I can give you examples of process and service delivery improvement in, for example, children's services. Benchmarking is certainly not a fad in Wales and is certainly not something that we are about to drop.

Dr Grace: There is no doubt that it can make a significant difference. Whatever people thought of comprehensive performance assessment in England, all the evidence suggests that in political, administrative and service delivery terms it made a very significant difference indeed.

What is slightly faddish about it is the terminology; people talk about benchmarking in the same way that they used to talk about performance indicators. However, although there might be a slight element of fashion about the terminology, the same is not true of the underlying issue. You have only to ask yourself the counterfactual: can you improve services if you do not how you are doing or how you compare with others? It is really a no-brainer.

The Deputy Convener: We have received a question on Twitter from Eileen Gill, director and owner of EG Perspectives. She asks Andrew Stephens whether there are

"any specific examples where data has been used to make improvement in service that has led to improved outcomes".

You have already touched on that with regard to children's services, but can you give us some other examples?

Andrew Stephens: Yes. Another example is the provision of disabled facilities grant, which, as its name suggests, is given by local authorities to individuals to allow them to improve their homes and maintain independent living. Years ago, many authorities were taking a couple of years to deliver the grant. The delivery time was measured in days and I can remember that in some local authorities it was taking more than two years.

There was a significant range between the best and worst performers, and a previous Welsh Government minister mentioned the issue in the press briefing on the morning the performance indicators were released and referred to it several times over the coming months. That had an impact on local authorities and I believe that the range has probably halved. Some local authorities are still taking a long time to deliver the grant, but performance has significantly improved since that particular performance indicator was discussed in the public domain.

Margaret Mitchell (Central Scotland) (Con): I am a member of the Local Government and Regeneration Committee.

Thank you all for your presentations. From our point of view, it is encouraging that we are looking at benchmarking in the right context, which is the reform of public services. I have two questions. First, Andrew Stephens mentioned ownership, which seems to me to be crucial. Will you elaborate on how you have taken people with you and encouraged them to have ownership? Secondly, I ask Clive Grace to elaborate on his comment that great benchmarking requires political self-discipline. What exactly does that entail?

Andrew Stephens: One of the key things that we did in moving ownership from the corporate centre to the service areas was to split our indicator set into the indicators that are public accountability measures—they are the key indicators anyway, and the services understand them—and the service improvement data, which is about managing and improving services. We pushed all the responsibility for the latter to the service areas. For example, in defining the indicator set, we might bring together the service managers—in social services, it could be the directors of children's services and the business managers for those services—to discuss what they need to manage their business.

The sharing of service improvement data among the 22 authorities in Wales is voluntary. We say, "If it's not contextual data or data that is already available, don't collect it unless it's of some use to you. Bring together the data that helps your authority to manage and benchmark your services. Clearly, you will be held to account by auditors or whatever if you're not managing your service effectively." That approach is about saying to people that it is their responsibility to decide what they need. We say, "We'll give you a broad set of defined indicators, but if one of them doesn't work for you, don't spend time collecting and collating that data. However, with quite a few of them, you will expect to be held to account if you don't get the data."

The other idea is to help people to use the data, because they will own it if they use it. They did not own it when all that they did was to collect it and send it to somebody in the corporate centre. For that reason, we try to ensure that it is collected by the services and not from the corporate centre.

Margaret Mitchell: I suppose that it is a question of culture. It is important that the approach does not look as though it is all about criticism and that people can see the positives. The ownership should be such that people buy into the approach and can see the way forward and how things will improve.

Andrew Stephens: The important thing is not the collection of the data or what it says on the day but what we do with it, and that involves people coming together. With 22 authorities and a fairly small country, it is easy to bring groups together. It is important to have a safe environment in which the focus is not criticism but people can say, "You know, I am the worst in Wales at this. How can I be better? What are you doing?" It is important to have that discussion in the right environment.

We need to recognise the difference between holding to account and benchmarking for service improvement. There is still a bit of criticism around the public indicators when authorities are not performing particularly well, but the majority of the work is in the service improvement area. It is about people working together to deliver improvement, not about people saying, "We're doing better than you."

The Deputy Convener: Clive, do you want to comment on the point about the need for tremendous political self-discipline?

Dr Grace: There are two aspects that I would pick out. One is that good politicians are hungry for change and hungry to see things done, and along with that, inevitably, goes a sense of impatience and sometimes frustration. Those aspects might not sit particularly well with the development of a benchmarking system that has the support of stakeholders, is properly embedded, is allowed to mature, and has a good degree of political consensus.

That relates to the other aspect. Perhaps not so much in the devolved nations but certainly in the UK, there is a great temptation for public services and public service performance to be used as a political football. That is inevitable, and at one level it is fair and reasonable because public services are one of the areas for which politicians are responsible and there should be robust political debate about them. However, it is necessary that, while we conduct that debate, we recognise that there are underlying processes of change, improvement, measurement and assessment.

The culture of political debate and the culture of recognising those developments are two very different cultures and they have not sat comfortably together. Maybe the way that the committee is going about such developments is taking that contradiction by the horns, trying to resolve it and get beyond it. If you succeed, you will have broken significant fresh ground in UK public services and political debate.

John Pentland (Motherwell and Wishaw) (Lab): Like David Cullum, I sometimes get a wee bit cynical about why benchmarking is happening now. Is it driven by the fact that we are in times of austerity in which hard decisions sometimes have to be made? However, I am also behind the idea that there is a requirement for continuous improvement. My cynicism is partly because we read reports from people such as Dr Grace and from Alex Linkston, our committee adviser, saying that it must be done. Bearing it in mind that their backgrounds are as council chief executives, I wonder why it must happen now.

I am all for benchmarking but, even when we have done an analysis and identified councils that perform well and those that do not perform well, it is said that it is about continuous improvement. I come back to Andrew Stephens's comments. It appears that Wales is perhaps a stage or two further on than we are in Scotland. However, the alarm bells ring when the league table shows that even after going through all the benchmarking analysis, the worst performing council is still at the bottom of the league table. Is benchmarking really working? If the council that is performing least well in Wales has shown continuous improvement but remains at the bottom of the table because the councils that they benchmark against also continuously improve, when will it ever get off the bottom of the pile?

The reality is that benchmarking is now with us. The committee has signed up to it and we want to ensure that something comes from it. As David Cullum did, people always have to play the devil's advocate to try to identify the real issues.

The Deputy Convener: Let us go to Clive Grace. Will councils that are bottom of the pile remain there when there is benchmarking?

Dr Grace: As I said, the critical issue is that when you design your system you do not make it a one-size-fits-all system. You must ensure that you look at it in the round. In particular, in the context of your question, I would want to ensure that we put the right amount of effort and resource into the value-added work that Mark McAteer and Andrew Stephens both mentioned. In other words, you do not want to put 95 per cent of your time, effort and energy into generating the data, the comparisons and so forth, and then leave yourself with no resources or instruments to do something with that

information or get a more detailed understanding of why the council is at the bottom of the table on a particular issue and how it needs to improve, change and move on.

You must have a balanced approach and ensure that the datasets, comparisons and authoritative interpretation are good; that you have a basis for action in response to that; that you have an understanding of how you think improvement will take place; and that you have a way of taking people to that point. In that sense, the development of the benchmarking system that Mark McAteer has described is critical, but it is maybe 25 or 30 per cent of what you need to do, because the other stages—the added value stuff and helping people change—must also be there. In my view, Audit Scotland has a big role to play in that regard.

11:15

Adam Stewart (Convention of Scottish Local Authorities): I am from COSLA. We are looking forward to the project and the detailed considerations that will come after this discussion, about how to avoid any unintended consequences such as those that have plagued some of our projects over the past couple of iterations.

Our specific question this time around is about the issue of legitimate local variation, which is reflected in local democratic choice and control. Is there a risk that, in benchmarking, some of the legitimacy of local choice and control will be lost? If so, how can we minimise that risk?

The Deputy Convener: We will go to Andrew Stephens first on that.

Andrew Stephens: There is a risk of that. There will always be people in the bottom quartile—there will always be a league table. Our national role is to paint a picture of how many of the comparative indicators have improved year on year—every year for the past three years, that has been more than a third of them—and for how many of them the range has narrowed. That is what we are looking at nationally.

We also give local authorities access to the data that we are going to publish five days before we publish it, including access to the council leaders and the chief executives. We write to the leaders and chief executives five days before we release the data, so that they have access to it and understand it. That is primarily to encourage them to issue their own press releases at the time of its publication and to put the data in a local context. If, for example, children's services in authority X have not improved at all, that authority might say that it was already in the top quartile and that its priority this year has been education, which is where people will see the shift.

The important thing is that the local authority—including both members and officers—understands its performance. It can then present that performance in the local context of what its priorities have been. If the policy has been based on evidence, the performance indicator set will be part of the evidence base on which the authority has decided its local policy, so it should be able to put the local context and local indicators together to tell the story of what is important locally.

Mark McAteer: I will add briefly to what Andrew Stephens has said. The SOLACE project aims to capture, as part of the discussion, what a council is seeking to achieve through its services. Most service areas will be trying to achieve something similar, but there will be variations around that. We have to capture the emphasis of local policy that a council attaches to services. It may be that I am not be performing worse than you but just seeking something slightly different, and that must be acknowledged in the exercise.

We must not assume that, in every single service and in every single instance, all councils are seeking exactly the same thing, because they are not. They respond to the needs of their local communities and populations, and that must be factored into the exercise so that we genuinely recognise difference as part of it. If it is not about difference but about performance, that is a different matter entirely—that is where the improvement process should kick in. However, if I am seeking something different from a service for my community because it is different from yours, that is perfectly legitimate.

Dr Grace: I, too, will be brief. The issue of the processes encouraging local politicians to articulate the policy choices that they make is absolutely critical. My experience of local government is that the process is often, frankly, quite patchy. Local politicians often do not appreciate the choices that they have because they are not as well advised by their officers as they should be. Knowing better what those choices are and being able to make them is important.

I return to the list in the slide that I showed earlier on economy, efficiency, effectiveness and excellence. It seems to me that there is real scope for choice at the two ends of that spectrum: economy and excellence. A local politician can decide that they want cheap services. That is a decision that they are entitled to make, and some authorities make it, for example, in the social care field. That is a choice that people have made, for good or ill. They can also decide to go for excellence, which is fine, too.

It seems that there is much less room for choice around questions of efficiency and effectiveness. They are core duties for all public services: the good use of resources—whatever they are applied to—and effectiveness in relating what is done to some kind of appropriate outcome. I would hold all to that, and there is not nearly as much choice in those areas as there is at the two ends of that particular spectrum.

The Deputy Convener: Thank you. I see that there are no other questions. We are a little behind schedule, but we will now move into the breakout groups.

11:20
Meeting suspended.

13:45

On resuming—

Feedback from Breakout Sessions

The Deputy Convener: Good afternoon, ladies and gentlemen. I hope that you had an enjoyable lunch. There was a sparsity of food to begin with, but I think that that was resolved.

I hope that you found the morning to be as productive as I did. The breakout sessions were useful and group 1 chatted quite a lot about a number of things. I ask Mark McAteer to give us some feedback from the breakout groups.

Mark McAteer: To try to give feedback from a group that had as wide-ranging a discussion as we had over the course of an hour is difficult enough, but to try to do that for four groups—three of which I obviously was not part of—will be nigh on impossible. I therefore apologise in advance for perhaps not reflecting everything that was said. However, rather than have the four facilitators in turn report back on discussions in their groups—inevitably we would all end up saying similar things—we will try to condense it all into one report back. Everything that has been discussed in the groups has been captured and a note on all the discussions will be written up, so if we do not mention in this session a particular point that was raised, it will still be captured.

I will start with challenges, but in no particular order. One of the commonalities that seemed to come across from the four groups was this question: How do we, first of all, build within councils ownership of the benchmarking approach? It should sit not only with corporate services and corporate performance managers but should be an active part of service management; it should be part of the day job. Somebody in one group said that it should be about managing performance, and not simply about reporting performance. We should be actively engaged in decision making and in using benchmarking data as part of the whole process. Another phrase that was used in my group during the discussion on ownership was that there should be "a culture of openness and honesty". We should be open about what the information tells us in benchmarking terms, and we should be equally honest about where challenges and problems lie.

Our group's discussion suggested that in our existing culture we typically talk about the misuse of performance indicators when it comes to indicators on which we do not perform particularly well. Our organisations need to be more mature about how we deal with that in order genuinely to get to a true understanding of performance so that we can drive improvement. We should also be honest and open with the public about the issues and challenges therein.

Resources was a theme in some groups. It is necessary to ensure that we have the right skills to analyse data, so that we can get to the nub of what data tell us about service performance. It seems that there are questions about whether that analytical capacity is in place across all councils; some councils may be well resourced and others may not. Equally, a key part of the model that Andrew Stephens set out—SOLACE will use a similar model—is to have group discussion and facilitation about what we do once we go beyond the numbers. There is also a question about whether we have the right kind of skills to lead such facilitation in councils and, if we do not, where we can draw it from, because it will be a critical component in the improvement journey.

There are questions about local capacity and local skills ability actively to take things forward, so there is a question about what resources will come from national improvement bodies—from the Improvement Service and, potentially, from elsewhere. What can such bodies do to help support the process and to organise provision to overcome that challenge?

The third issue that came through from some groups was co-ordination with the other key performance reporting frameworks in local government. It is not necessarily about getting rid of them all, but can we schedule them so that they work together and we do not report something in one framework and end up, with a slight tweak in the definition of an indicator, essentially reporting the same thing a couple of weeks later to another vehicle? Can we make the frameworks more common, more joined up, more cohesive and more co-ordinated? Underpinning all that, can we have more cohesive and co-ordinated data that support the process so that we do not end up replicating the same data for slightly different purposes?

There was a big discussion in all the groups about the potential for politics to overcome some of the challenges within benchmarking. In our group, we had a big discussion about whether it is personality that is the problem in a lot of local politics. There is a good indication that when strong audit arrangements are in place and there are strong scrutiny arrangements in councils, that can overcome some of the challenges of personality politics, because the focus is very much on getting to the nub of an issue in a non-partisan fashion. The council—not only the officers of the organisation—has an important role to play in driving improvement. Data such as performance data from benchmarking can therefore be used as

part of an evidence and decision-making process, which neutralises some of the risk of personality politics getting in the way of improvement activities.

How do we take all that into an outcomes dimension? The three presentations this morning recognised that challenge. How do we get all that into the CPP environment? If we are serious about improving outcomes, CPPs and beyond will be part of the equation. It will be difficult to get data that will support all that. I know from experience that the challenge of getting data sorted out for local government has been hugely complex and time consuming. If we extend that into CPPs, I am sure that equal complicating factors will arise.

Other issues that will emerge throughout all that are accountability and scrutiny. If CPPs are to be a forum for such work, to whom they will be accountable will be an issue, as will how their activities are scrutinised. The proposed legislation would put in place common duties on CPPs, but the accountability line of partners will be equally important. We will have to try to resolve to whom they are accountable and for what.

The last issue that relates to accountability is public awareness. How aware are the public of not simply local government and its performance but the wider CPPs? If we did a straw poll, how many people would know what a CPP is? How many people recognise what community planning is? That raises issues for the outcome focus. People must become genuinely aware of community planning, its importance, the role of organisations in it and how benchmarking in that environment can help to support and drive reform and improvement.

A number of common discussions about risks came up across the piece. One was about politics. How can we help politicians to be part of the process? As Clive Grace said this morning, we know that what politicians have to do differs slightly from what service managers have to do—that is just part of the world and we must live with that. However, ensuring that politicians are part of the process can help to temper the tendency towards the political game playing that might otherwise happen.

We must ensure that politicians take a long-term view. Some of the work will not transform services overnight. How can we help politicians to build a story about why benchmarking matters to them and to public services reform, so that they are behind the agenda as it takes time to bed in, and so that it genuinely drives improvement? My group had a big discussion about priorities in that context. As part of the exercise, we need to establish clear priorities for councils and, potentially, for community planning partnerships, so that benchmarking does not become just a T-

shirt slogan. Something can be a priority, but in the context of benchmarking, we need to be clear about the service priorities and the service improvement priorities, in order to drive the improvement activities that will need to follow benchmarking.

The biggest risk concerns the media—that was consistent across the four groups. The tenor was that the media will do what they do and always have done, so we just have to roll with the punches and not be obsessed by that. The media will have a short-term story, then we will all have to go back and get on with the real job of driving improvement across services. We just have to live with that media tendency and keep the focus on the improvement that needs to follow benchmarking.

It is fair to say that the view on family groups was mixed across the discussion groups. A couple of the groups discussed whether family groups should be built around councils or around services such as education and social work. SOLACE has wrestled with that issue in the past couple of months but has not yet finally resolved it. A tension that perhaps crept into the discussion about family groups related to whether we would limit councils to working only with defined family groups. SOLACE's answer to that is no—we are saying that a council would be part of one family group as a minimum, but would be at liberty to benchmark against others outwith that family group.

Family groups are for practicality as much as anything else—that was strongly discussed in my group. Across all services, can we get all 32 councils together in a single room to discuss things? We probably cannot, so family groups provide a practical basis for organising the drill-down discussion that needs to take place beyond data to get to issues of improvement and so forth.

Our group discussed sharing good practice. We were talking not simply about what comes through from the data; we must get into good practice models. We discussed the fact that that is not the sole responsibility of the SOLACE project; some of that discussion is taking place and will continue in a myriad of other useful benchmarking arenas. For example, we have with us a colleague from the Association for Public Service Excellence, which does a lot of work on environmental and other services. That work will continue.

To return to a point that Clive Grace made this morning, there should not be only one benchmarking framework; we need frameworks at different levels that support one another. I suppose that the big challenge in that will be in co-ordinating them.

On the indicators, the consensus seemed to be that the balance was about right in relation to cost, productivity, service quality and customer satisfaction, although there is a recognition that we are still weak on outcomes. The key challenge is to keep the framework relevant for improvement purposes, so it must continue to evolve and improve over time. There are issues with individual indicators, and the emphasis is on getting the indicators right for service improvement purposes. However, overall, the balance was deemed to be about right.

Another big theme for discussion was about how we embed the approach. In a couple of groups, there was a notion that we should discuss things more fully with some of the professional associations in local government, rather than just with SOLACE. SOLACE has recognised the need for that and has set up processes to ensure that it happens. In the past six or seven months, directors of finance have been heavily involved in the project and the Association of Directors of Social Work, the Association of Directors of Education in Scotland and others have been part of the conversation. However, it is certainly a useful suggestion that such bodies should be much more fully represented in the future.

A second element that came through—on embedding the approach—relates to leadership. We have discussed the need for leadership from the politicians, but that applies even more to senior managers. I suppose the phrase that would summarise much of the discussion is that senior managers need to walk the walk and not just talk the talk. Senior managers must demonstrate that benchmarking as an activity is a priority and must accord it that status in their behaviour. Those managers must be part of the discussions in the benchmarking groups, rather than always just leaving that to more junior managers. Senior managers cannot simply advocate benchmarking; they must be actively engaged. They must also get behind the changes that will emerge and see the approach not as a threat to their services, but as a genuine part of an improvement process. They must be open to the suggestions that will be thrown up by the process at drill-down level.

It was suggested that we need some quick wins in order to create momentum and to show people that the approach can work and can deliver for them. That is a useful suggestion that would help to build a degree of commitment and to show people the positive aspects of benchmarking. We therefore need to have and retain political backing through COSLA and other bodies. We need the core message to come from politicians that, as local government, we are all in this together. There will, in the fullness of time, be questions for other politicians if we take the approach into the partnership arena.

On embedding, a key focus throughout the groups seemed to be that the approach has to become part of self-assessment; benchmarking has to be part of the day job of service managers and improvement activities. Therefore, ensuring that the framework works well with performance improvement frameworks such as the public service improvement framework or "How good is our council?" is an important part of the agenda. Support is perhaps needed to ensure that the data and the activities that we do under benchmarking feed through into service planning and service improvement activities in councils.

The last big issue that we discussed was the role of the Scottish Government and, in some groups, the role of the Scottish Parliament. The key theme that came through from the discussions was that the Government and Parliament need to take an active role in supporting development. However, it is more of a hands-off role. The doing of the activity has to be very much about local government. If we want a culture change in local government on the performance agenda, it is important that we avoid prescription from the centre, although the centre still has an important role in supporting the approach along the way and developing it. A key issue for the Government and the Parliament is about encouraging other sectors. If other public sector partners such as police and fire bodies and CPPs are to be part of the approach, national politicians should lead the debate with local government colleagues to take us down that route.

A third issue that came up in a couple of the groups was about the volume of performance information and data that is collected across the piece. In my group, we had an example about left-hand drivers. There is an apocryphal story that a piece of data is requested on the number of left-hand drivers who have been convicted of various traffic crimes, which suddenly creates the need for a data set on that, which is then maintained over time.

We are poor, in the public sector, at getting rid of data sets; once they are there, it is hard to get them off the books. There should perhaps be an exercise to declutter performance information and performance data over the piece and to focus on the things that we absolutely need to know for good public performance accountability and performance improvement reasons.

14:00

There was also a strong message from a couple of groups about accountability. For SOLACE and local government, accountability is to the local level. That should be the key driver for the overall agenda. However, there is certainly a role for other partners in the public sector and in national

Government to help support SOLACE and local government in taking things forward.

That is probably a poor summary of what was, as I said, a wide range of discussion. If I have not given full recognition to particular points, they will have been captured in the groups and we will certainly keep a record of them.

The Deputy Convener: Thank you very much. The other facilitators do not want to add anything, so we shall move on.

Auditor's Perspective

The Deputy Convener: I welcome Martin Walker, who is assistant director of Audit Scotland's best value and scrutiny improvement group, which delivers best value audit reports on councils, fire and rescue services and, in conjunction with Her Majesty's inspectorate of constabulary for Scotland, police boards and forces. The group also produces overview reports on local government, police and fire, statutory reports and thematic reports in the "How councils work" series, as well as co-ordinating the shared risk assessment process and statutory performance indicators. Martin joined Audit Scotland in 2004, having previously worked in councils for 14 years in various roles.

Martin Walker (Audit Scotland): Good afternoon, everybody. What I propose to cover in this wee slot is an auditor's perspective, so I have reflected on what might be of interest in that regard. I also reflected on the fact that I have the slot after lunch and that I am following all this morning's speakers. I will therefore try not to duplicate or repeat lots of stuff that was covered this morning. I have perhaps gone out on a limb a bit, because I decided that you might be interested in what auditors are interested in. We will see how that goes.

This is an audit perspective that is drawn from key messages that we have found in audit reports. I will also make a few observations and reflections around what might, based on our experience of looking at auditing bodies, help in improving benchmarking and performance measurement.

All audit work is based on evidence; we like to arrive at our judgments on the basis of firm evidence. Consequently, we like performance measures and benchmarking because they give us a good base of information on which to make judgments. In the course of our business we use performance information and benchmarking in a range of work, such as the annual audit process, which people might refer to as the annual financial audit, best-value audit reports and national performance audit reports. There are, of course, the statutory performance indicators, which are maligned in many parts but loved in others. Obviously, they have been a source of benchmarking for a fair few years now.

We are keen to use lots of data and evidence as part of the community planning partnership audits, which are being developed just now. We also use benchmarking data and other performance measures to inform the shared-risk assessment process that we go through each year. That is probably of interest, not least because it is one of the things that drive the audit work for the year. For example, our selection of where to do best-

value audit work in the coming year is very much based on what the shared risk assessment tells us.

My last point harks back to a lot of what was said this morning, which is that we recognise that performance is political and we recognise how performance information is used. We know what can happen to our audit reports when they are put into the public domain. Just before lunch in the breakout group that I was in there was a lot of discussion around this issue and around the point that people will use published information in a particular way and just go for the headlines. We are very aware of that, not least because that is what happens to our reports, too. I shared with the group the fact that it has been known for us to write reports that are positive about a range of organisations: to be honest, such reports tend not to get much coverage. The reports that are more critical tend to get the coverage; I dare say that people here are aware of some such reports that have come out in recent years.

To reinforce—rather than duplicate—the messages from this morning, there are a range of performance measurements that can be used. However, looking at an individual measure—whether that is an input measure such as what something costs, a process measure such as how quickly something is delivered, or an output measure such as what customer satisfaction is—tells you only so much. Therefore the key message for us is that measures are best used in combination.

The other issue is about who and what to benchmark against. A lot of today's discussion has so far been about performance compared to others. There has also been discussion about performance over time. One thing that we look for when we are doing our audit work is performance against an organisation's own targets. An issue that came up this morning was whether it is always a bad thing if performance has dipped in a particular area. If we are doing audit work and performance has dipped on the basis that the organisation has decided to prioritise another work area and that therefore it is acceptable—or tolerable, if you like—that performance can dip in some areas, we reflect that in our judgment and report on that. If anything, we might view that as a sign of a stronger and more mature organisation in that it can be comfortable enough with performance appearing to slip in some areas, but on the basis of a decision and a thought-through process. Therefore, it is too simplistic to say that a decrease in performance is necessarily a bad thing.

I have mentioned using performance measures. A measure that we have probably reported on a lot—in that it is an absence of something—is that

we do not see a huge amount of cost information. Clearly, work that is being done now is starting to redress that balance a little. A combination of a cost and an output measure can be powerful in identifying whether a service is delivering value for money. For example, if an elected member was to get information in one report that says that the educational attainment of the kids in a particular area is at a high level, would that not be good thing? Yes—it would be a good thing. However, if that elected member also got information that the spend on education in that area is twice as much as the next council, would they still arrive at that same opinion—that performance is as good as we first thought? Measures therefore need to be used in combinations.

We look at the measures and performance when we are doing our work, but there are two other areas that we are interested in, the first of which is around response and activity. We have found instances in which a council has extremely good performance management arrangements, with lots of measures, benchmarks and indicators, and reports lots of information to many committees. An area that we are most interested in is what happens on the back of that performance information. If there are good arrangements but they do not lead to any change and therefore are not having an impact, we question their value. We are keen to identify where performance measurements and benchmarking information start to make an impact on activity, and then ultimately, on the impact of outcomes for the people in an area.

I showed a couple of minutes ago a diagram with outcomes on the right-hand side and inputs on the left-hand side. Typically, we go first to the right-hand side of the spectrum and see what measures are on outcomes and outputs. If we find a lack of information on that area we start to work our way gradually towards the left of the diagram. That is about finding the balance between what is measurable and what is important.

What are some of the issues that we have found in audit reports? The key message is that we have found that benchmarking, performance management and all the rest of it have been variable. The position varies within councils in that some service departments have really good arrangements but others have arrangements that are less well developed, and there is not always good-quality comparative information in performance reports. Sometimes there are time-series data or other bits of comparative data, but we do not routinely see lots of good-quality comparators to give the people who scrutinise the reports—principally elected members—the information that they need to arrive at firm conclusions. As I mentioned, we do not always see a clear link between performance

management information, benchmarking information and impact.

That said, we do find examples where there is a clear link. You will not be able to read the detail, but the next slide shows a couple of examples that arose that we included in a report that we published in May about the use of cost information. One is from West Lothian Council and the other is from Glasgow City Council. In those cases, cost information and benchmarking information were used to drive improvement work. There are a lot of words on the slide and I will not go through the examples in detail, but there is information in that report that you might be interested in.

I turn to some messages that come from that work. What do we tend to find, and what are some useful things to consider in looking at measures and benchmarking? First, the measures that are selected should reflect the council's priorities. It is particularly important to elected members to have measures that strike a chord, that will get some traction and that make sense. It is a question of measuring priorities rather than measuring what is measurable.

I have already mentioned the second factor, which is that it is important to have a range of measures and to use them in combination.

The third point is one that came up in the discussion group that I was in. We should remind ourselves that the purpose of performance measures is to allow performance management. Collecting and reporting the information is just a means to an end and is not an end in itself. The important thing is what happens with the information, the amount of scrutiny that the performance reports and benchmarks are subjected to, and the extent to which the reports identify and support improvements that are needed.

The final point is a personal hobby-horse of mine; it is about the quest for the perfect measure. I am sure that all the break-out groups discussed what the best measure is, and I am sure that there will be another discussion about that at some point later today. I believe that such discussions are a waste of time. Measures need to be good and robust and they need to serve their purpose. In my experience in councils and subsequently in Audit Scotland, too much time and energy can be taken up in looking for the perfect measure that is so defined and so acceptable that everybody understands it and it is absolutely right. I do not think that such a thing exists. It is important to remember what the "i" stands for in "PI"; an indicator is just a means to an end.

I will make a couple more observations. Benchmarking is also a means to an end and is not an end in itself. Earlier, Mark McAteer said that benchmarking provides information that helps us to ask questions—I think that "can openers" is the phrase that he used. Benchmarking can help to identify issues and questions. Why is it that one council seems to be able to deliver twice as much of a service as another council? Why does its performance appear to be so much better?

The other thing to remember is that benchmarking can also help with the answers. It is not always data benchmarking that we need; it might be process benchmarking or some other form of activity that is about making comparisons that provides the prompt to go and seek out the answers. The discussion earlier today included stuff about benchmarking family groups, for example, which is one solution. There is also the simplistic solution, which is that somebody looks at a set of measures, they identify what appears to be the best council for a particular service, and then a service manager just lifts the phone and speaks to a peer in that organisation. Sometimes, quite simple things can provide a useful way in, and we do not need a massive industry infrastructure to support that.

14:15

That said, some form of infrastructure is quite important. The reality of the situation is that everyone has got a lot to do and everyone is busy. Benchmarking tends to be most effective and well-developed when some kind of infrastructure is in place. Whether it be benchmarking partnerships, the improvement service, or individual councils benchmarking groups that exist, some form of organisation to underpin that can be helpful. The really important thing is to get the balance right between a big industry and infrastructure and something that is fit for purpose.

The slide I am now showing is a scenario: I wonder whether it, or parts of it, are familiar to anyone. I do not normally read out the slides but, for those who cannot see the screen, the first bullet point reads

"people consider what data is available that could be compared".

They then agonise over who to benchmark with in a quest for the perfect benchmarking partner, spend a lot of time gathering information, creating spreadsheets, collating the data and sharing spreadsheets with benchmarking partners. They then identify discrepancies and, at that point, have the "apples and oranges" discussion about why something is not quite right because it is not quite the same after all, after which they go away to revise the definitions and data and do some data cleansing.

They might come back to find there are still differences, so they report back to their own council to explain those differences or discrepancies, and to show why things are not quite as they might at first have seemed to be. Then they find that all of that was a real faff and took a lot of time, energy and effort, so they lose the will to live, and do not do it again.

I do not know whether all the bullet points on that slide strike a chord with folks, but I see at least one or two smiles around the room. For me, the really important message is that benchmarking information needs to be good enough to serve its purpose. When the breakout groups were asked what are the main barriers, the answer was that sometimes it is just about having a go, testing the information, and seeing what works and what we can get from it rather than trying to design something perfect.

I apologise, but I will do a bit of marketing for Audit Scotland at the end of my presentation. We have produced a number of reports that might be of interest about performance management, performance measures and related matters. The last publication on performance management that is shown on the current slide is imminent and we will take it to the Accounts Commission in October. You might find the first one that is mentioned on the slide interesting. It is called "Measuring up to the best" and is an Accounts Commission publication from 1999. A couple of people have said today that there is not anything new in this area. Sometimes it gets rebadged, sometimes it has a different drivers and so on, but the fundamentals of having good performance information and making comparisons are not new.

Discussion Session

The Deputy Convener: We move to the discussion session. After having reflected on the issues and challenges that are inherent in benchmarking, the discussion session is an opportunity for us to consider benchmarking for the future. As you will be aware, the first strand of our inquiry was about community planning partnerships and outcomes, and it might be interesting to reflect on how benchmarking can be applied to CPPs to drive those outcomes.

I invite Alex Linkston to chair the session. Alex is a well-kent face in local government and the public sector in Scotland in general. He is former chief executive of West Lothian Council and is now the chair of NHS Forth Valley. Alex, over to you, sir.

Alex Linkston (Committee Adviser): Thank you very much for that introduction. We have all used benchmarking in our careers and most or all local authorities use it. However, we are talking about an ambitious project to build it up in a systematic way to help us to deal with the challenges that we will face during the next decade or so.

We have had a lot of good presentations today and heard a lot of words of advice. Mark, do you think your model is capable of coping, given what we have heard today?

Mark McAteer: It was heartening to hear about the experiences of Clive Grace and Andrew Stephens, as many of the challenges that we face are common challenges. However, the broad approach that we have adopted seems to be similar to what Andrew was stressing. In fact, at the end of the presentations, Andrew turned to me and said, "God, you'd think we'd set this up between us, we were so close together."

I think that we are on the right lines. The outcomes of the discussion groups suggest that the key test will be around the resources that are needed to support what we are doing. The exercise cannot simply be left to organisations such as the Improvement Service. We certainly have a critical role to play in terms of support, facilitation and so on but councils have to make this part of their day job. The real test in that regard will be the extent to which councils and partnerships can do that in the longer term. Our job is to help them to do that, but they are the ones that have to drive it, because the focus is on their services, their performance and their improvements.

Alex Linkston: On that issue of resources, Clive Grace said this morning that collecting the data should be about 25 per cent of the exercise and the other 75 per cent should be analysis and

action. We all know the work that has gone into collecting the information. If that is only 25 per cent of the effort that will be required overall, are councils adequately resourced to take forward the exercise in terms of skills and capacity? How can we create the necessary resources?

Silence. It sounds like a council meeting after I have made other good suggestions.

Mark McAteer said that quick wins are important. How can we get some quick wins?

If no one speaks, we will have to start picking on people.

Mark McAteer: I will say something about that while people warm up to the question. One of Improvement Scotland's roles with regard to this issue is to help to capture good practice. It is not that we have to discover everything from scratch; there is a lot of useful practice in local government, and we need to capture it and share it. That will be one of our early priorities once we are through the data-collection phase—and if that is only 25 per cent of the effort, God help me by the end of it.

We will work with councils to find out where the good practice lies, document it and get it out quickly.

I was interested to hear about Andrew Stephens's benchmarking hub earlier. It would be helpful to place some examples of good practice alongside the sort of performance data that can be analysed and used to see how one council's service delivery differs from another. If we help to document those examples and share them, we can build confidence in the idea that the exercise is about genuine improvement, and that could be an early win.

Alex Linkston: Dr Grace, do you have any words of wisdom on how we can get some quick wins?

Dr Grace: One way to get quick wins is to incentivise the behaviours that you want. For example, one of the quick wins in England came about when the Brown Government—I think— wanted to speed up how planning applications were dealt with. It imposed a time limit of eight weeks and incentivised councils to meet that target. You might say that that is pretty crude, and on one level it is—and, of course, in that case, there was an issue with what happened when the incentive grants dropped off. However, in a sense, quick wins are about something that matters to enough people and which are clear, simple, straightforward and capable of being incentivised, and that example certainly demonstrates one way in which a quick win can be achieved.

The other relatively quick wins that I saw were some very heavy-handed but nonetheless quite

effective interventions around children's and adult services using the joint review methodology that was used from 1998 until about 2003 in England and Wales. That was on a topic that was important to a lot of people, not just to the users—the children and adults—but to communities and the media. It was a very strong intervention, and people were named and shamed in significant ways.

Those were two contrasting examples, one in which behaviour was incentivised and another in which behaviour was punished, and they operated at very different levels—the whole of adult and children's services as against a specific example in the planning field. However, I think that it is unlikely that a pure benchmark would create a quick win; it must be attached to some other mechanism such as political exhortation—I think that it was Andrew Stephens who gave an example of that this morning when he talked about disability grants. The benchmark must be linked to some other mechanism so that it becomes real for administrators, politicians and policy makers.

Alex Linkston: Martin Walker made the point that the areas that are selected for prioritisation should be of interest to the council. That would take us away from national incentives. Maybe the way to get the politicians involved is to pick something that is a problem in their own council area and to prioritise that.

Martin Walker: I will expand on Mark McAteer's point about best practice. If one of the objectives of benchmarking is to identify who seems to be the best in class and who is performing well, we need to consider the language that we use around that. I say that as an auditor. We sometimes toil to produce best-practice examples because we beat ourselves up about whether something is really the best. What if it is not the best? What will people think of us if we say that it is the best but it is not? We sometimes set a threshold that is way too high to be useful.

Now, when we think about what exhibits we might use in reports—there were a couple up there on the screen before—we look for examples of something that works for the individual authority. Rather than call it best practice or even good practice, it might be helpful for us to consider as a threshold what works for the individual authority and to publicise that. People may then be interested in that and it may cause people to lift the phone or to go and see how another council is delivering a service.

The language of best practice can put people off, and auditors can be put off identifying something up as an example of best practice and publicising it as such. If we were to recalibrate the language and consider what is effective in its own time and place, we might be able to learn

something from that. That might be a helpful way to approach the whole idea of best practice and good practice.

Alex Linkston: Thanks for that. Andrew, can you offer any experiences from Wales?

Andrew Stephens: I am sure that benchmarking is already going on and is making a difference. There are case studies that could be picked up and used to promote. My question is this: what quick wins will say that we have made some improvement in certain areas? What do we want to do? Do we really want to move the culture forward overall? In that case, I would look for a different quick win. One of the things that I have seen today is that there are all these frameworks and local government is being asked to pitch into them all. In Wales, we have learned the lesson that we must at least bring them together. As has been said, some people are collecting data for one and others are collecting similar data for another. A quick win would be to get the owners of all the frameworks in the same room to talk about how they can be consolidated. That would not necessarily mean doing away with them if they were all right, but it would mean that a service manager delivering children's services would understand where the measures of their service performance were being used and what they were being used for.

If that were to happen, some of the arguments about resources would go away. People would see that the measures made sense, because they needed them to manage their service, or because they understood how audit used them or how they fitted into different frameworks. If I was in a performance area or was managing a service in local government, I would like to think that there was an understanding of how all the frameworks fitted together and how they were being used, and that people were working together to minimise the impact on me, as someone who provided information for those indicators.

14:30

Alex Linkston: Does anyone have a view on that? It goes to the heart of things.

Mona McCulloch (South Ayrshire Council): I agree with what Andrew Stephens said. The landscape in Scotland is extremely cluttered when it comes to the outcome indicators that local authorities are expected to gather information on and to report on.

I have a question for Mark McAteer on the benchmarking indicators that are set. How useful is it to have a set of statutory performance indicators that are reported on in September and to have a set of benchmarking indicators, some of which are the same as the SPIs, that are reported

on in December? Is there any hope that we might bring those indicators together into a single national set of indicators that are reported on to one organisation, but which could be used for a variety of purposes?

Mark McAteer: I absolutely agree with you. We should collect the data once, use it for multiple purposes and synchronise reporting timelines. This year, we have been somewhat unlucky in that, in the middle of the project, we had a local government election, which meant that we had to wait and get the assent of the new authorities for what we were doing. That delayed us.

In addition, we have an agreement with the Accounts Commission that we will do a two-year consolidated run of data. To facilitate that, the commission has simply told us not to bother with the public performance reporting in September, but to hold it off until the end of this year. That has put us out of sync on the SPIs and so forth, but we will reclaim that next year. The idea is to move towards a consolidated reporting framework. You are absolutely right that that is where we need to be. We should use the data for multiple exercises but cut down on the number of reporting arrangements that surround that process.

Anne McTaggart (Glasgow) (Lab): This is the $1 million question: what is the difficulty with what Andrew Stephens has just suggested as a way of getting around the fact that, because there are so many indicators and so many different schemes, people are vying for the same information? What is the difficulty with getting all those people into the same room so that they can come up with a national set of indicators?

Mark McAteer: I am not so sure that it should be a single national set of indicators. SOLACE is evolving a set of indicators from within local government. That is part of the culture shift that we talked about this morning. It is important that authorities do it for themselves, because the services that we are talking about are their services.

We would need to get Audit Scotland and the various inspection bodies in the room and ask them whether they were prepared to say that some of that information gathering could replace some of their information collection. That discussion must take place. If we are talking about a role for Parliament and Government, it is important that they help to support such discussion.

Anne McTaggart: It just seems extremely cumbersome that people cannot move forward because they have so many sets of indicators that they have to report against. They will not be able to think about moving on until we free up that process.

Mark McAteer: I absolutely agree with you.

Anne McTaggart: We will not be able to make progress until that process is freed up.

Mark McAteer: At times, it is certainly like swimming through treacle. If you talk to many service managers, they will tell you that it is not that we lack data; we have too bloody much of it. We create a whole series of data sets and maintain them for no real purpose. Why? We should take some of them away and focus on what truly matters when it comes to driving performance improvement. I absolutely agree with Andrew Stephens. Many national agencies must be part of that discussion. They need to be confident enough to relinquish some of their controls to create the space for this process to grow and become the performance framework for Scottish local government.

Anne McTaggart: Andrew, can you help us with that so that we can move forward? How did you manage to eradicate, or water down, all that treacle, so to speak? Until we can do that, I do not think that we will be able to move forward. People will not be able to move forward in their thinking until they can see the wood for the trees.

Andrew Stephens: It was easy for me to sit here and say, "That is what you should do as your quick win." I will not pretend that that is easy, because the inspectorate bodies all have their respective roles, but it can be done. We bring our education inspectorate in when we look at what we need to collect from local authorities, and we bring in the Wales Audit Office. You can get people in a room—you would probably want to compartmentalise them into those who are collecting in different service areas, because there are the social services inspectorates, education inspectorates and so on. That can be done.

First, you must get national agreement on the need for a framework that must meet the needs of all the respective members. I talked about the fact that in local government our data set is not prescribed, but we are told that we must have comparable information and take account of the needs of the regulators when we put the set together. Therefore, we cannot have a discussion about what children's indicators will be without bringing the inspectorate body into the room. That involves a bit of give and take from both areas, but if we view that as a way of achieving improvement and if we are getting the benefit of a single set of data for children's services, people will go in with that mindset.

Language is important too. An inspector can say, "If I do not get what I want out of this, I can collect data outside the framework because that is my legal status," but if they come in with the right mindset, it works. My only advice is that you need

the impetus from above to make it work. It is then about getting people in the room and having a dialogue, although the dialogue will not always be easy.

Mark McAteer: It is important, as Andrew Stephens said, that there is willingness on both sides. That is certainly the case in the work that we have been doing with Audit Scotland and the Accounts Commission. They have come a huge way with us in the past 12 to 18 months. However, we have not seen the same progress with some of the other inspection agencies. They need to be willing partners in the process: they must agree that benchmarking is a key development and that they need to work with us, SOLACE and others to support it.

We can build some of the performance information that those bodies need for inspection purposes into the framework, but they need to discuss that with us. It would be useful for all the inspection bodies to have the type of conversation that Andrew Stephens has just outlined.

Alex Linkston: I saw a few faces light up when we were discussing that. Who is best placed to take that forward? Is it Audit Scotland, the Improvement Service or COSLA? If an action point comes out of today's discussion, who will take ownership of it?

Martin Walker: The discussion will involve all those parties.

The Accounts Commission technically sets the SPIs, and it has indicated that if there are other performance measures—such as the ones that Mark McAteer mentioned earlier—that provide a better set of indicators, one option is for it to do away with SPIs completely. The commission could say, "Yes, those are fantastic—we don't need to do it any more." That is one end of the spectrum. The other end is for it to say, "We don't like those indicators at all—here's a whole new bunch." At present, the commission is much more inclined, provided that it can gain assurance from a robust set of measures about performance in councils, to pare stuff right back from the 60-odd current indicators. That is the direction of travel at present.

Alex Linkston: That is a big prize there.

John Pentland: I think that Martin Walker answered my question. I was surprised at Mark McAteer's comment about them and us with regard to the way in which we want to go forward. Surely that dialogue should take place prior to the benchmarking.

If Audit Scotland and the Accounts Commission have any expectation of how we should deliver services, the purpose of the benchmarking—on which I hope we are about to reach a conclusion—

should meet their aspirations and ambitions to produce unqualified reports at all times.

I am a wee bit surprised that we are still using the language of them and us when collectively we want to deliver the best that we can for the money that we have available.

Mark McAteer: We have had a lot of positive dialogue with the Accounts Commission over the past 18 months or so. The commission gave us clear indications at the outset that, in order to get its endorsement, the following criteria would have to be met: first, there would have to be genuine comparability across councils and, secondly, there would have to be public accountability and the public would need to be able to make sense of the process. We have been working with those criteria all along and we have been giving the commission assurances over the past few months about how we are developing the framework in order to get its backing.

Such discussions have to take place with the other inspection bodies so that they know what we are doing and they are comfortable with it. They can then back off on the assurance that we are picking up what needs to be picked up through the framework to enable us to go forward. That means that we will not have to duplicate our information—gather the same information but present it in slightly different ways—in the future.

John Pentland: So are you going forward with agreed criteria or with criteria that the Accounts Commission laid down?

Mark McAteer: In early discussions with the commission, it said to us that if the framework becomes an alternative to the SPIs that would be great—it would like to see that happen—but the absolute minimum that it has to achieve is genuine compatibility across councils, and accountability and transparency. If the framework does not deliver that minimum, it does not matter how good it is—it will not work for the commission. That is what we have been working to achieve with the commission over the past 18 months or so.

Martin Walker: The Accounts Commission and Audit Scotland do not claim that the SPIs are a perfect set of measures. We accept that they are imperfect and flawed. The commission's view is that if there is a better suite of indicators that can provide much better performance information, provide better comparative information and also help with public accountability, that is absolutely fine. The commission has no problem with that principle.

Alex Linkston: That is quite a big gesture from the Accounts Commission, so well done.

The Deputy Convener: A key point is that there has to be some agreement from all of the councils first before you can start talking to all the other bodies. Has COSLA agreed on the Improvement Service's suite of benchmarking indicators?

I do not know about the other groups, but there was also discussion in our group about whether the indicators will be flexible. The indicators might need a wee bit of fine tuning, perhaps to take into account the views of the Accounts Commission and others, so that everybody is happy with them.

Mark McAteer: We certainly briefed COSLA prior to the election. Obviously we have had a change in administration since then. The previous COSLA endorsed the approach and told us to keep going with it. It was fully signed up to what we were collectively trying to achieve.

We agreed to go to the new COSLA to brief it and to get it to endorse what we are doing. We have had no feedback whatsoever to suggest that there will be anything but a positive response. It is now just a case of getting that briefing scheduled with the new administration at COSLA, going to leaders, talking them through everything and getting their formal assent.

The Deputy Convener: Will there be any flexibility?

Mark McAteer: Yes, there will be flexibility. Again, getting it right for the Accounts Commission has been a key part of what we have been trying to achieve across the piece, because that is also useful to local government.

Adam Stewart: I will supplement that with a bit of information. A report is going to leaders this week with the full suite of information. That is the final verification of the process that Mark McAteer described.

From our perspective, the challenge is the level of ambition of all this. A number of people have talked about the wider implications for community planning partnerships—the wider approach to public sector reform—and that is inevitably where we want to see this ending up. Such a vital and required step change in public sector reform cannot happen at a very low level of management information. It is really about scaling up the benchmarking approach from where it is at the moment to where it might be in the future. That is probably the biggest benefit.

Alex Linkston: If I am hearing you correctly, Adam, COSLA is looking for an even bigger ambition than the present ambition.

Adam Stewart: That is right. It is about the journey of improvement—recognising that this is very valuable but in some ways sets the scene for what might be achieved in the future.

14:45

Alex Linkston: We share the goal of trying to get this phase established and, indeed, moving it on to community planning indicators, which I think will bring huge benefits. Does anyone disagree with that? I see no hands going up, so there must be unanimous agreement on it.

Given that much of the information comes to the Government, it should certainly be involved in the data framework that has already been mentioned. However, what else do we require from it to move all of this forward?

Does no one think that the Government needs to do anything else? Wow, it is getting off lightly.

The Deputy Convener: I am sure that the Government will be happy to hear that.

Alex Linkston: Quite.

Dr Grace: The Government has a much bigger role than that. It is lovely to imagine all these bodies, with all their different statutory purposes, organisational histories and personalities, coming together and agreeing on common frameworks and so on, in this or the next session of Parliament, but the fact is that those things take a hell of a long time.

You need the kind of meta-framework that Andrew Stephens said has been introduced in Wales to cover requirements on local authorities to publish comparative service data, even though it does not specify exactly what that data is. That gives a statutory framework in which people can act and which allows a creative tension between what is required and requested both at national level and nationally on behalf of communities and what local authorities have to do. You have to get that tension right, but you certainly need it in order to pull people along. It is not just a case of having an agreement of the willing, because you do not always get complete consensus and sometimes you have to draw people through and pull them a little bit.

The Government needs to do a couple of things, the first of which is to set a very broad policy framework or something with a legislative component of the kind that Andrew Stephens has highlighted in Wales that must set out a view on how improvement in public services can take place and what the approach to public service reform will be. That is the critical context. I took our COSLA colleague to be saying something consistent with that view; if he was, I completely agree with him.

Andrew Stephens: I echo those remarks. There might well be a lot of enthusiasm on day one, but what happens when everything in the garden is not quite so rosy? There are always times when authorities' performance dips and people cannot simply opt out when things are not going so well.

Quite often—once a year, I would imagine—we go back to our letter telling us what we have to do in order to remind ourselves or local authorities that our group of authorities has to publish this data or benchmark, ensure that the regulators are on board and so on. The framework gives us enough to ensure that we move forward without feeling constrained, and I think that, perhaps for the first time, local government in Wales feels that it owns the set of data that it publishes as public accountability measures. It does not feel prescribed; it knows what it has to do and that it has to do it robustly to meet regulator colleagues' needs. I would therefore argue that Government has a role to play.

Alex Linkston: Is a statutory policy framework on the agenda, Mark?

Mark McAteer: You would have to ask Government colleagues about that.

Alex Linkston: But what about from your side?

Mark McAteer: I am not in a position to answer. Thankfully our organisation does not make policy; we just help to implement policies created by others. Scottish local government already has the best value framework, which sets out the clear criteria for public bodies to achieve service improvement and accountability. We are discussing the best mechanism to achieve some of that, and I will be looking for support from colleagues in other bodies as part of that conversation.

The framework is in place and it could be expanded across community planning partnerships through the community planning review currently taking place. We have the nuts and bolts of it, and now we are talking about the detail that sits beneath. That is all. I do not think we need a new policy framework because we have a very strong policy framework through best value local government.

Alex Linkston: Do you agree, Clive?

Dr Grace: It is a while since I looked at the best value framework in great detail, but I am sure that Mark is correct.

It is a question of the direct connectivity of the other inspection bodies into that best value framework and whether that overrides and informs their statutory purpose. You certainly would not want to junk that and start again. Perhaps you may want to decide whether that framework is quite fit for your purposes now that it is 10 years old.

Mark McAteer: Dr Grace's point about creative tensions in the system is how I would envisage the

role for the inspection and audit bodies. I would envisage having Martin Walker asking the kinds of questions he set up in his presentation. That is a very useful driver in the system as it helps to keep people focused and sharp and helps them to keep the ultimate purpose in mind. One way to help strengthen the overall system would be if that were extended across all audit and inspection bodies and they behaved in a more corporate fashion in the same way as we are seeking to get councils to behave.

Alex Linkston: I ask for a show of hands on whether we need a new statutory policy framework or whether it could be done within the best value framework. On the question as to who thinks we should do it by means of a statutory policy framework, with new legislation to sustain it, nobody has raised a hand. On the question as to whether we can do it within the best value framework, there are some hands. I note there are a few who are "don't knows".

Bill Howat (Committee Adviser): I am here in my capacity as adviser on the budget to the Local Government and Regeneration Committee, but I am also a former civil servant and former council chief executive.

I must intervene to counsel caution about rushing in to legislate on such a matter. Underlying everything that we have heard in the past 20 minutes or so is the fact that this is the effort by the local government family to recognise that improvement is necessary. It has shown that benchmarking is a very important way of doing that and that the local government family must take unto itself the responsibility of finding meaningful indicators through which that can be done. The discussion has highlighted that the regulators such as Audit Scotland and the inspectorates are engaged in a lengthy process with SOLACE, the Improvement Service, CIPFA and COSLA to achieve a solution acceptable to everyone and which they will be comfortable with.

As a civil servant I was always cautious about the use of legislation. I do not like the use of duties—especially best value, which is such an overreaching duty—because once duties are specified you put yourself into the hands of people who will interpret them in very specific ways. That changes behaviours. Legislators need to give that very careful thought, and I counsel the legislators who are here to exercise caution on that one for a start. I especially counsel caution considering that there is an exercise in train that is clearly voluntary. So far as I can see, everybody in the room is reasonably content with the way it is going.

Alex asked whether there is a role for Government. I say that there is, and it is to facilitate and to ensure the framework is in place.

On the question of whether there is a role for the Scottish Parliament, I say yes. That role is to encourage and to ensure we do not overlegislate or overprescribe. To pick up Kevin Stewart's point, we should leave some flexibility in the system because the world keeps changing and the demands will keep changing. I strongly counsel caution against moving quickly on anything to do with statute unless—as Clive said—we find that with experience the legislative framework is no longer fit for purpose. That is quite a difficult test and a difficult call to make.

If I may, I will throw in one point about what was said earlier. We have had a discussion on early wins. Some of the discussion also reflects the underlying point that we are on a journey that started quite a few years ago, as Alex Linkston is more than aware. There is a big milestone coming up, which is when the information goes public. Mark McAteer gave an excellent summation of the comments in the breakout group, but he was a bit light on what is going to happen at publication. He gave the impression that it does not really matter what we do, because the media will have their field day and do their league tables and we just have to roll with that.

I strongly advocate that we have a communications strategy that does not just deal with the day that the information is published but that starts trailing it before that—as the committee is doing here—and deals with the issues after that day. There might be headlines for a day or two and, depending on when the information is launched, in the Sunday newspapers, but there will also be a follow-on into journals and other longer-term media. The issue is not just about the broadcast or written media. In addition to all the excellent work that Mark McAteer outlined about taking forward the process, we desperately need a good and clear communications strategy that engages all the stakeholders.

Alex Linkston: Is that something that you will pick up on, Mark?

Mark McAteer: We are already working on that, but I absolutely take Bill Howat's point.

Alex Linkston: Good.

Margaret Mitchell: As one legislator who has an aversion to legislation, I think that we have passed far too much legislation. Legislation in itself achieves nothing. If we have learned anything today, it is that we must take the councils with us. They have to see the necessity of the approach and the advantage in it. For me, the Scottish Government's role is to monitor and consider the regulators and perhaps bring them together if there are difficulties in how they assess things. We almost need the carrot and stick. When someone is genuinely struggling with resources,

we need to be sympathetic, and when someone is not co-operating, we need to be hard on them. That is the role of the Government and, to an extent, the Parliament.

Alex Linkston: There is a clear message that we do not want legislation unless it is absolutely necessary. We all know where we stand on that— we need to make it work.

We have received another tweet from Eileen Gill, the owner and director of EG Perspectives, who says:

> "Quick wins will sometimes require a degree of risk or leap of faith."

That is one for noting. I thank Eileen for that.

I take it from the discussions before lunch and the lack of comments now that everybody is content with the direction of travel and that we are all going to get off our jackets, make it work and bring in a new culture in Scotland. I do not see any nodding heads, but I see a few smiling faces.

Unless there are any other points, I will wind up the session.

The Deputy Convener: Thank you, Alex.

Closing Remarks

The Deputy Convener: We could drag this out until 4 o'clock, as it says on the timetable, but I will give my closing remarks now and then everyone will be able to get tea and coffee outside and chat informally.

I thank all those who have attended and participated in today's seminar. In particular, I thank the speakers: Dr Clive Grace, Andrew Stephens, Mark McAteer and Martin Walker. I also thank Sarah Gadsden, Barry McCulloch and Dot McLaughlin for facilitating the breakout groups, and Alex Linkston for chairing this afternoon session. I also thank Eileen Gill for her tweets. Quite honestly, I did not think that anybody would watch the seminar, so I am glad that Eileen has been and that she has made the effort to let the committee know her views through Twitter.

I hope that everyone has found the seminar to be useful and productive. I certainly have, and I think that my colleagues would say likewise. The committee has learned a lot and we have a number of challenges. We know that they will not all be easy to overcome, but you can be assured that we will continue with the process and consider all the issues rigorously. Going forward with the inquiry, the committee has already agreed that we will hear from COSLA and invite further evidence from SOLACE and the Improvement Service.

The committee will reflect on what it has heard today and on that basis determine the direction of the inquiry and what further evidence it needs to inform its work. What we have heard today enables us to reflect on how we can add value. Today is the start of the committee's work on the inquiry and we would welcome further contribution from you to inform the inquiry as it progresses. Maybe some of you can tweet in—or written submissions are always welcome. Once the transcript of the seminar has been produced by the official report, we will send you a link.

Once again, I thank you all very much for coming and for adding value to our inquiry.

Meeting closed at 15:00.