

LOCAL GOVERNMENT AND REGENERATION COMMITTEE

PUBLIC SECTOR REFORM AND LOCAL GOVERNMENT

SUBMISSION FROM SCVO

Summary

- The current community planning structures, in many instances, have proved unsuccessful in transferring power to communities.
- The third sector should not be treated as a last resort or for crisis management but should be embedded into service provision (where an organisation has the capacity) in order to prevent crisis intervention.
- The [Joint Statement on the Relationship between Government and the third sector](#) provides an insight into the manner in which local government and the third sector can work better together.
- The third sector is keen to make existing structures more responsive to communities and civil society. This will allow a reduction in the bureaucratic structures of accountability.
- Part of the current problem with many current models of service delivery is that they see the services in themselves as the only product. The third sector would prefer that public services should also be measured against its added value.
- One year funding does not have at its heart true partnership working. Scotland's third sector organisations are willing to support and deliver public services but need assurance from their partners that they are not a short term fix but truly long-term partners.
- There is a strong belief that local authorities should co-produce annual reporting that is available for public consumption with its strategic partners, including the third sector. This would lead to an unbiased and transparent process in which local citizens can monitor and hold their authority to account on its record.

About us

The Scottish Council for Voluntary Organisations (SCVO) is the national body representing the third sector. There are over 45,000 voluntary organisations in Scotland involving around 137,000 paid staff and approximately 1.2 million volunteers. The sector manages an income of £4.4 billion.

SCVO works in partnership with the third sector in Scotland to advance our shared values and interests. We have over 1300 members who range from individuals and grassroots groups, to Scotland-wide organisations and intermediary bodies.

As the only inclusive representative umbrella organisation for the sector SCVO:

- has the largest Scotland-wide membership from the sector – our 1300 members include charities, community groups, social enterprises and voluntary organisations of all shapes and sizes
- our governance and membership structures are democratic and accountable - with an elected board and policy committee from the sector, we are managed by the sector, for the sector
- brings together organisations and networks connecting across the whole of Scotland

SCVO works to support people to take voluntary action to help themselves and others, and to bring about social change. Our policy is determined by a policy committee elected by our members.¹

Further details about SCVO can be found at www.scvo.org.uk.

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¹ SCVO's Policy Committee has 24 members elected by SCVO's member organisations who then co-opt up to eight more members primarily to reflect fields of interest which are not otherwise represented. It also includes two ex officio members, the SCVO Convener and Vice Convener.

Our response

SCVO welcomes the Local Government and Regeneration Committee's inquiry into public service reform and the opportunity to input at this stage of the process. This submission will look primarily at strands 1 and 2 of the inquiry.

Partnership and outcomes

The current community planning structures which act as the formal mechanism for communities and third sector groups to engage at a local level with the public sector have, in many instances, proved unsuccessful in transferring power to communities.

Whilst some areas have a positive level of engagement and influence there are many that do not and this acts as a significant barrier to communities developing their own projects as well as influencing local government initiatives. The inquiry should seek to explore the imbalance and explore possibilities that will bring about a meaningful sharing of power between communities, third sector groups and the public sector.

In many areas in Scotland the third sector is already integrated in the delivery of services with local authorities, however this is not uniform across all of Scotland's authorities. Approaches to integrated working differ from local authority to local authority. This diversity is natural and shows that it is not necessary to develop a one size fits all approach.

Local authorities have the responsibility to be aware of third sector organisation within their area and a responsibility to engage with them at the earliest possible opportunity in project initiation and budgetary decisions. The third sector should not be treated as a last resort or crisis management but should be embedded into service provision (where an organisation has the capacity) in order to prevent crisis intervention.²

The [Joint Statement on the Relationship between Government the third sector](#) , agreed by representatives of SCVO, COSLA, SOLACE and the Scottish Government, provides an insight into the manner in which local government and the third sector can work better together;

“A successful relationship between the Scottish Government, Local Government and the third sector will be built upon mutual respect and a joint understanding of the roles played and challenges faced by each partner in delivering better outcomes for the public. It will be a supportive and sustainable relationship which reinforces and celebrates our interdependence.

Local authorities and the Scottish Government will value the third sector as an integral part of shaping and delivering better services for Scotland's people and will be flexible in their approach to partnership and funding so

² See Edinburgh Cyrenians Homeless Prevention Service in partnership with City of Edinburgh Council http://www.cyrenians.org.uk/what_we_do/hps/

as to recognise their role in the sustainability of the sector alongside the delivery of public service.

The third sector will organise itself so as to effectively participate in mutually acceptable decision making structures, in a transparent and accessible way. The third sector will be committed to working with Local Government to deliver efficiencies, promote Best Value, and achieve improved outcomes for local communities.”

The Joint statement continues;

Partnership is most successful when each partner understands the true value of the relationship. The third sector has a role to play in clarifying what added value they bring to any decision-making and policy-forming partnerships but also what the third sector expects in return – be it information, influence, or decision-making parity with other partners. Local authorities may also wish to clearly articulate what they hope to gain from the partnership.

The size and diversity of the third sector can be seen as, and can indeed be, a barrier to partnership working with the public sector. The third sector has a responsibility to identify what type of organisation and person to involve at each level of partnership and to be organised in such a way that this involvement recognises the various groupings within the wider third sector.

Local Government recognises that sometimes local decision-making structures can be difficult to understand. Local authorities agree to be more transparent about the various structures of partnership, planning and decision-making that exist. This will enable third sector partners to identify how best to contribute in each of those distinct settings. Local authorities will also work with the third sector to identify and amend those elements of their decision-making structures which act as a barrier to partnership.

The third sector will develop an increased capacity to be an active partner. The third sector will commit to using a shared services approach where appropriate in order to maximise delivery of Best Value. Local authorities and Scottish Government will be open to supporting that capacity where necessary in order to benefit from the added value that comes from a mutually-respecting relationship with the third sector.

This statement provides a framework for partnership and Scotland's third sector and public sector have subscribed to this. The *Joint Statement* is essentially the foundation for public service integration with Scotland's third sector and as such should be integral to the inquiry the Local Government and regeneration committee undertake.

The third sector recognise a partnership is a two way process and work will be undertaken by both the public sector and themselves; however the institutional barriers and lack of long-term strategic funding from Local government increasingly make reforms and partnership hard to come by.

Developing new ways of delivering services

There has been a great deal of discussion of the structures of government in Scotland. The third sector believes that these discussions should be secondary to considerations about the nature of services themselves and the role of the various structures of governance. It is less important to consider how many local authorities there are, and more important to discuss the role of local authorities and how they can best make a difference to people and communities.

The third sector is keen to make existing structures more responsive to communities and civil society. This will allow a reduction in the bureaucratic structures of accountability. Public services should be accountable to the public, rather than just to other government agencies. This requires a level of engagement with individuals, civil society and communities that goes well beyond the existing arrangements.

What should be the role of public services?

The move to an outcome approach is welcome. Commissioners of public services should not be concerned solely with delivering specific services. What is needed is an approach that ensures public services make the maximum possible positive social, economic and environmental impact. For example, after-school clubs don't just provide a service for parents and children. They bring people together to form more resilient and cohesive communities and so contribute to several national outcomes.

There are ways of taking into account all the anticipated and unanticipated impacts of providing public services. Social return on investment methodologies, although in their infancy, offer a positive indication of what might be considered. Similarly, the Social Impact Bond approach could encourage a wider range of metrics, cohort studies and other techniques for measuring impact. While these will be difficult to apply directly to smaller projects, it should be possible to deploy this learning in future funding of a wide range of services. These metrics should be used in other contexts as a way of ascertaining which approaches are most effective in meeting need.

Part of the problem with many current models of service delivery is that they see the services in themselves as the only product. The third sector would prefer that public services should also be measured against its total impact: its contribution to building social capital, social cohesion, and community resilience.

The Role of Third Sector Organisations

Scotland's third sector organisations work with some of Scotland's most disenfranchised communities and bring with them a wealth of knowledge and expertise in supporting these communities, often the communities that need and depend on public services the most. Collaboration with the third sector should not be seen as a threat but providing insight and knowledge when building and developing services in the community.

In recent decades some voluntary organisations have come to make an extensive contribution to public service delivery in discrete areas. In social housing, community care and training for employment the nature and aptitudes of voluntary organisation have been recognised as making a special contribution to delivery. However the roles of our sector in public services are diverse and complex. For example, hospices complement National Health Service provision in a close partnership; children's charities have traditionally played a similar role but their work is increasingly subject to competitive tendering. Community transport has developed as a response to gaps in public and private provision. Public services themselves have developed organically and asymmetrically, and voluntary organisations as a reflection of the interests of citizens, have developed their roles accordingly.

You will hear strong criticism of the impact of procurement markets on the quality of services, including the bureaucracy, increasing uncertainty and poor conditions for staff. A two-tier workforce has emerged with stark contrast between pay, pensions and conditions for Council workers compared to their voluntary sector counterparts. Many voluntary organisations will support the notion of a 'public service ethos' but will argue that it must be inclusive and fair to all those involved.

People at the heart of services

The third sector believes that co-produced services will empower users and delivery organisations and renew faith in public services. Models that have co-production at their core, while unusual in public services have always been at the core of effective third sector services. Learning from some of these models may help to put people at the heart of this change.

A major challenge for providers and commissioners of public service is the need to provide more personalised service interventions. More than ever before it is understood that service users have individual and sometimes unique needs. These are best met through a thorough process of personalisation that builds individual needs in at the start of a process of service design. Individuals also have a range of attributes and personal resources which ought to be recognised and built upon (rather than pushed aside) when services are being designed.

How to embed cultural reform

The committee is right to look at institutional barriers to developing innovation and the perceived tension between shared services and staff reductions. While job losses are not the desired outcome for any reforms it cannot be the overriding reason to oppress change.

Reform has for too long been thwarted in Scotland's local authorities due to a lack of joined up thinking and silo-mentalities.³ While Scotland's local authorities have enjoyed sustained investment in the 10 years after devolution, local authorities have been able to invest in services without the pressure to work in collaboration.

However current financial situations dictate otherwise; service users are demanding more and increasing in number, developments such as welfare reform and self-directed support will put greater pressure on authorities to offer more. This offers local authorities the opportunity to work with communities, individuals and third sector organisations to pull resources, knowledge and expertise and deliver public services that truly put people at the heart of them.

Mainstreaming Preventative Approaches

Much has been written about the role of preventative approaches, particularly in the field of offender management and services for the 0-3 age groups. There is an implicit recognition that current service design and funding is too narrowly focussed on treating the consequences of, for example, obesity rather than addressing the root problems. New strategies are needed to prioritise prevention in the public service mix but the current climate for public funding exacerbates the challenge of maintaining existing interventions for those in need, whilst addressing the problems at source.

Linked to this, voluntary organisations will argue that government at all levels is often not best placed to change attitudes and behaviours towards, for example, more positive lifestyle choices. The third sector can demonstrate examples of successful prevention strategies, but these are often highly atomised and incoherently funded. Overall, a more strategic approach is required.

Long-term strategic direction

Local authorities need to show communities and third sector organisations they are serious about reform and move away from traditional funding cycles.

One year funding does not have at its heart true partnership working. Scotland's third sector organisations are willing to support and deliver public services but need assurance from their partners that they are not a short term fix but truly partners. Local authorities need to look at their funding structures and provide long-term investment into services if they are to truly deliver integrated and people focussed services.

³ Christie Commission <http://www.scotland.gov.uk/Publications/2011/06/27154527/2>

Other considerations

Reporting and local accountability

There is strong feeling regarding reporting practices in local authorities across Scotland and the strong link between clear reporting and local accountability.

At present local authorities have no requirement to report clear outcomes to their constituents and this raises concerns regarding continuous local accountability. It is not acceptable for local authorities to be held to account only through 4 yearly election cycles and clear transparent reporting on outcomes and targets would address accountability across Scotland's local authorities.

There is a strong belief that local authorities should co-produce annual reporting that is available for public consumption with its strategic partners, including the third sector. This would lead to an unbiased and transparent process in which local citizens can monitor and hold their authority to account on its record.

Procurement

Many third sector organisations across Scotland are involved in delivering services on behalf of local authorities. However this practice is often hampered by the way in which commissioning authorities approach procurement.

The committee should consider the role of procurement in reforming public services in Scotland and the barriers current practices present.

Competitive tendering is not always the best way to deliver outcomes for people and communities. Often these approaches encourage a "race to the cheapest" provider and mitigate against collaborative working. The Local Government and Regeneration Committee should look at alternatives to competitive tendering.

We need to look at wider issues such as how services can provide additional benefits that go beyond the specific outcomes commissioned for and ensuring that commissioning practices focus on quality and best value.

Conclusion

SCVO welcomes the Local Government and Regeneration Committees inquiry into public service reform and SCVO is happy to support and help the Committee as it sees fit.

Public service reform is as important for Scotland's people as it is for the accountability of and future delivery of services.

Whilst reforms are focussed on local authorities and the services they provide it must not be forgotten the role that Scotland's third sector can play and should play in future provision across Scotland.

SCVO
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