

## **LOCAL GOVERNMENT AND REGENERATION COMMITTEE**

### **PUBLIC SECTOR REFORM AND LOCAL GOVERNMENT**

#### **SUBMISSION FROM SOLACE SCOTLAND**

SOLACE Scotland welcomes the opportunity to submit evidence to the Inquiry on Public Service Reform and Scottish Local Government. We support the principle of public sector reform and are keen to ensure that change is managed effectively. We previously submitted evidence to the Christie Commission and believe that the views expressed in that submission are of direct relevance and may be of interest to your Inquiry – a copy is attached for your information.

There are, however, some key points made in our evidence to the Christie Commission that are worth reiterating – these relate to the principles that should underpin public service reform; the vision for what public services should do and their role in 21<sup>st</sup> century Scotland; and the method and approach to reform that should be followed.

First, the key principles that should underpin any public service reform:

- Democracy – reform should improve local democratic oversight of the delivery of public services.
- Accountability – reform should improve the ability of local communities to hold service providers to account.
- Localism – reform should provide a service delivery framework that embraces the principles of good governance and subsidiarity
- Outcome Focus – reform should deliver improved outcomes that demonstrate best value.
- Financing – a clear link should be maintained between payments (in tax and charges) by individuals and the services that they receive.
- Evidence – reform should be based on robust evidence and transparent business cases, not assertion and anecdote.

In relation to the role of public services in modern Scotland – our public services have at their core a set of values which aim to promote and deliver positive outcomes, foster resilient, resourceful and dynamic communities and tackle inequalities. In particular, public services aim to:

- Play a key role in developing and maintaining buoyant local economies
- Provide sustainable community, business and cultural infrastructure
- Improve and protect the environment
- Ensure security and community safety
- Promote health and wellbeing
- Foster community and individual learning and attainment
- Protect and support the vulnerable and those in need
- Shape the places and communities where we live

To deliver these key public policy goals it is increasingly recognised that a holistic and joined up approach to policy making is essential. National strategies such as Equally Well; Anti Poverty; Reshaping Care for Older People and the Early Years frameworks have all contributed to promoting early intervention, prevention and dealing with the causes of problems rather than their symptoms across the public sector.

It is important that the public sector reform agenda is similarly holistic and co-ordinated. The approach to and method of reform is critical. The aim should be to move to a debate that is focused on objectives and outcomes rather than numbers of services and organisations and that decisions about how to rationalise structures and governance are based on evidence that these will deliver the outcomes wanted. Separate and unconnected reviews of key public services do not do justice to the complex interdependencies between our public services. In addition, a top-down and purely structural review, without serious consideration of the purpose and functions of major public services, is unlikely to result in better outcomes or more efficient service delivery. Lessons need to be learned from previous structural changes which were conducted on these lines. It is also essential, in our view, that full recognition is given to the serious risks posed by superimposing such a structure-led reform on top of the major changes to service design and delivery that will be necessary in the next few years to cope with the growing gap between increased demand and reduced resources.

SOLACE Scotland would therefore continue to advocate a “rolling reform” approach as set out in our submission to the Christie Commission. This could involve the phased implementation of policy and structural changes, based on sound business cases, and set in the context of a clear, consensual national strategy for Scotland’s public services, alongside locally led initiatives for service improvement. A “rolling reform” programme could be governed or managed in a way that reflects a consensual approach – involving parliamentary political parties, local government, professionals and stakeholders. There are several advantages of tackling reform in this way:

- The opportunity to focus available public resources on the needs and aspirations of a particular community of interest (ie the ‘total place’ approach), rather than on specific organisations and their functions.
- The opportunity to learn quickly from experience and carry forward good practice, including demonstrable savings
- The economic and social costs of implementation can be managed over time
- The ability to recognise that “one size doesn’t fit all”, and develop different public service models in different parts of Scotland.

The ability to test and pilot governance arrangements as public sector reform progresses would be an important element of a rolling reform process - capacity should be retained for this. It would also allow a pragmatic approach to be taken forward which could seek to build on what works rather than start anew.

In relation to the specific strands that you are looking for responses to, SOLACE Scotland would offer the following comments.

**Strand 1 – Partnerships and Outcomes**

Integration of partners into community planning would be improved by all publicly-funded agencies having an equal duty to participate in community planning, and for this to be reflected in the operational service and business plans of all partners. Although most public agencies do participate in community planning structures, there is a sense that community planning can be parallel to the actual policy and budget planning carried out by partners away from formal community planning meetings. The result is that Community Planning Partnerships can become collaborations of organisations who plan for communities, rather than truly with and on behalf of communities. The lead role of Local Government in Community Planning Partnerships should be to facilitate community engagement for the partnership and all the individual partners - as the one fully democratic and representative organisation in the partnership. The voluntary arrangements between partners which exist through current community planning partnerships could be enhanced by extending the power to advance well being within the Local Government in Scotland Act (2003) to all public service providers, providing a legal requirement for all public bodies delivering local public services to participate in community planning. This would provide a statutory basis to extend the outcome-based approach through enhanced assessments of local area needs and integrated delivery of locally-designed solutions.

The purpose of the Single Outcome Agreement should be to provide a clear statement of the policy outcomes that most need to be improved within a community planning partnership area, a clear indication of what partners will do differently to bring about this improvement and a statement of the difference this will make to outcome indicators. In effect it becomes a joint statement of purpose and action between the Partnership and Government. The SOA should then be a live document which enables scrutiny and challenge by the Scottish Government, local elected members and local communities of the extent to which partners are delivering on their SOA commitments.

A consistent approach to delivering outcome focussed public services requires a consolidation of governance regimes across public services. The duty of best value could be extended to cover all public services. An improved definition of best value - as a duty of continuous improvement measured in terms of outcomes for the areas and people receiving public services would also be welcomed. Such a change would require an updating of statutory guidance on best value and community planning.

Successful implementation of preventative approaches will require real and sustained commitment between the Scottish Government and community planning partners to long term objectives. By the nature of preventative spend, tangible results may not be demonstrable in the short term, while communities may experience a reduction in resources to previously available, but less prioritised services.

A final issue in challenging the delivery of shared outputs and outcomes within the CPP is the role of the private, voluntary and community sectors. There needs to be investment of time and resource in agreeing and developing their role. Engagement of community sector and voluntary sector participants in particular has to recognise that there needs to be realistic, consistent and long term investment in building community capacity in order to realise the full potential of the community and voluntary sectors.

## **Strand 2 – Benchmarking and Performance Management**

Sharing of performance data has been complicated due to a lack of clear definitions creating ambiguity around performance indicators and having inadequate mechanisms in place to analyse and explain variances in data between public sector bodies. This is exacerbated by the fact that despite efforts to streamline external scrutiny, there are still too many bodies auditing and inspecting public services. This leads to a partial and fragmented form of scrutiny that does not recognise, and indeed inhibits, the holistic approach that is essential to effective service delivery. The reform of external audit and inspection and the development of a single external scrutiny body for all public services would be a significant step that could be taken to drive forward improvements in performance management and benchmarking across public services. Such a body would be well placed to advise the Scottish Parliament on the resource implications of proposed new scrutiny burdens. Too much scrutiny has been added to public services over the last two decades with insufficient understanding of the resource implications or interactions of them. The challenge for public bodies will be that this needs to be accompanied by better self-assessment and performance reporting by public bodies themselves.

A co-ordinated approach to the benchmarking and performance improvement of all public services would also allow improvements to the process of collating and sharing benchmarking data. Responding to the varied requirements of the current scrutiny bodies has meant that there is still an over reliance on excel or word documents to the detriment of the corporate or strategic performance management systems that many public organisations now have in place. A single body could facilitate the use of a single overarching system - even a single website to upload, publish and share performance information from across all public services would be a significant step forward.

In addition, currently too much time and effort is expended on discussing and refining the processes related to the collection and sharing of performance information – often information that is significantly out of date or ultimately subject to challenge around its accuracy or comparability. The position adopted in responding to performance information is often either complacent or defensive. There needs to be a far greater focus on using performance information constructively and in a positive manner to challenge systems and processes and to develop and deliver improved public services. This requires access to information that is up to date, relevant and robust. Similarly the successful implementation of an outcome focussed approach to public services needs good data and information to improve decision making, reduce the likelihood of wasteful expenditure and improve the evaluation and learning of which approaches are effective. We should be changing in a way that encourages

experimentation and small scale development allied to rapid feedback to determine whether to continue, expand or withdraw from given forms of service provision. “Raise the floor” by making comparisons, address variations in performance, eliminate waste. “Raise the ceiling” by innovation, pursuing excellence at local levels and promoting the user voice.

Of particular importance is the production of comparative information on the efficiency and effectiveness of service provision by different organisations. At a time when resources are reducing in real terms, it is essential to ensure that best value is secured for every public pound of expenditure. A significant amount of data is generated within the public sector and more use should be made of this to support benchmarking of outcomes, performance and use of resources. The SOLACE Scotland benchmarking project is one example of how improved information and knowledge can lead to better decision making and greater productivity and assist in holding public service providers to account.

### **Strand 3 – Developing New Ways of Delivering Services**

People now have living and working patterns that mean their associations are very local for some aspects of their lives and very large scale regional or even national for others – this means that intermediate geographies have in some respects less relevance than previously for many people as they go about their day to day business. This needs to be reflected in changes to service delivery and in the geographic coverage and service responsibilities of organisations that provide them with services.

Resources have to be directed at activities that are likely to impact on outcomes at a community level – it is unlikely that prioritising spend on specific services or even themes will have the intended impact. All public services need to look at community outcomes, not only thematic outcomes. This points to the need for a holistic agenda in which economic regeneration, development and public service reform are viewed as integrated components of place shaping. Where do we want communities to be in 5 years time? Part of this is about the localisation of community planning and having a clear understanding and consensus on the shape and nature of the communities we serve.

Also the spreading of available budgets across different organisations delivering aspects of the same broad policy outcome can be wasteful and may not deliver best value. There is a need to improve organisational structures and processes to achieve greater alignment around communities of interest where this can be achieved within a locally democratically accountable governance framework. In doing so there is a potential for rationalisation of plans and structures, joint information sharing, shared premises, shared management arrangements and increasing pre-budget planning on a partnership basis. There is a case for using financial mechanisms such as the recently launched health and social care Change Fund to increase choice and access to public services and promote the better alignment of local public service budgets. Several Councils have also taken steps to devolve expenditure decisions closer to communities, an approach which can be developed further.

A smarter approach to strategic commissioning is one way of strengthening the mixed economy approach to public service delivery. Such an approach should look beyond the narrow confines of procurement and reorganisation. It is not simply about purchasing services from external providers or transferring responsibility for delivery between different public services. Such an approach to strategic commissioning should involve local partners planning the nature, range and quality of services based on agreed outcomes and following a strategic assessment of the future needs of clients.

In our submission to the Christie Commission, SOLACE Scotland pointed to considerable efforts to reform public services already under way in Scottish Councils. These included major shared services programmes, joint civil contingencies work, lead authority service provision, various public-private partnership models and a collaborative procurement operation involving all 32 councils. Importantly, joint and integrated working between the NHS and councils has also continued to evolve and improve. This reform activity is now delivering financial savings and enhanced community outcomes across Scotland and it is critical that it continues apace while evidence is gathered and fully debated on the future role and nature of Scottish public services.

Examples of this successful practice include Scotland Excel, the Centre of Procurement Expertise for the local government sector in Scotland. Established in April 2008, its remit is to work collaboratively with members and suppliers to raise procurement standards, secure best value for customers and to improve the efficiency and effectiveness of public sector procurement in Scotland. Funded by all 32 local authorities, Scotland Excel is one of the largest public sector shared service organisations in Scotland. Collaborative contracts with an annual value in the hundreds of millions of pounds generating average savings of 8% annually have been implemented covering a wide range of commodities used by services across local authorities including roads, maintenance, transport, catering, cleaning and corporate services departments, as well as schools, libraries and leisure venues. In addition, Scotland Excel is a recognised leader in training and development provision across the public sector with a development programme which offers a range of learning models including training seminars, master-class workshops and fast-track professional qualification courses.

As part of their submission to the Christie Commission, Orkney, Shetland and the Western Isles jointly prepared a proposal to develop the concept of integrated service provision by islands authorities. The model, provisionally called the Single Public Authority, was driven by the need to improve public services beyond what could be achieved by multiple service providers working in partnership. It took community planning to its logical conclusion by proposing that service providers be merged into a single body which would deliver the majority of public services within each island group.

The report of the Christie Commission endorsed the proposal and a Scottish Government-led team was subsequently convened to gather information from the

three islands authorities with a view to developing a model which could be piloted in one or more areas. In the meantime, the islands are identifying areas of front line service which could generate immediate benefits for service users by targeted joint working in advance of full integration.

By way of example, Orkney Health and Care (OHAC), Orkney's community health and social care partnership, illustrates the progress which has already been made towards the integration of front line services in Orkney. Jointly provided services include All Age Disabilities, and a lifestyle base is under construction which will offer a range of sports, leisure opportunities and support for people with learning disabilities in the heart of the community. Consultation is in progress on a blueprint for the future joint provision of older people's services, with a strong emphasis on preventative care. With the support of the Change Fund, OHAC is reshaping older people's services in partnership with the third sector, who receive 40% of available funding and participate in decision-making at Board level. The recent announcement by Ministers of £70m funding for a new hospital in Kirkwall has given a green light for the Council and NHS Orkney to implement joint plans for the development of integrated hospital and high dependency care facilities, a top priority for 2012.

As an example within a large urban authority the One Glasgow project was initiated by the Chief Executives of Glasgow City Council, NHS Greater Glasgow and Clyde, Strathclyde Police, Strathclyde Fire and Rescue, Glasgow Housing Association, Department of Work and Pensions and Job centre Plus. Three priority themes have been identified as part of this developing approach - early intervention approaches for children aged 0-8 and their families; reducing offending targeted at those aged 12 - 25 involved in anti social behaviour or in the criminal justice system, including prison leavers; and older people aged 65 and over in single households - to assist them to live in the community and minimise acute interventions and hospital admissions.

These themes were selected specifically because they affect large sections of Glasgow's population, attract large volumes of Glasgow's total public service expenditure and require the input of a number of diverse organisations. It was felt that, because governance and delivery are complex and reducing duplication and improving collaboration is difficult to achieve, these themes could serve as useful exemplars of a different way of working together as public sector partners, which may have significantly wider applicability. They provide both a frame of reference and a 'test bed' for a genuinely transformational approach to public service management and delivery.

On a similar vein in March 2007, Fife Community Safety Partnership brought together a range of services in shared offices at the Safer Communities Centre in Glenrothes. The Centre enables staff to work together on a day-to-day basis, undertaking joint visits and providing a 'one stop' service on many community safety issues. This has enhanced the capacity of partner agencies to reduce crime and promote community safety across Fife. A good example is Victim Support Fife which has direct access to Police systems and colleagues from various teams including the Housing Investigation Team and Night Time Noise Team. This has enabled Victim

Support staff to improve referral waiting times from two weeks to less than 48 hours. Greater integration has delivered measurably better outcomes for communities – for example, crimes of an antisocial nature have fallen by 55% since the Community Safety Partnership was established.

Finally, following the initial publication of the Clyde Valley Review, North Lanarkshire Council was appointed Lead Authority on behalf of 5 Councils for the delivery of a more strategic approach to Waste Management. This is an area where there is potential for significant savings – particularly due to the impact of landfill tax which will rise to £80 per tonne for active waste by 2014.

Following analysis of options a recommendation was made to participating Councils that all future major waste procurement activities should be brought under the umbrella of a joint Clyde Valley Municipal Waste Treatment and Disposal process. The first stage analysis estimated that up to £21M in cost avoidance could be achieved across the Clyde Valley by 2017-18 as a consequence of moving to a single delivery body for waste treatment and disposal through economies of scale and opportunities for bulk purchasing. The next stage will be the finalisation of an Inter Authority Agreement to formalise participation in a joint procurement process for a residual waste treatment and disposal solution

These are just a few examples of the innovative work being undertaken to successfully reform our public services already. They all involve shared solutions and all reflect the needs of the communities they serve. They all fit with a pattern of rolling reform. In taking this approach forward SOLACE Scotland would advocate that there needs to be wider knowledge and understanding of Alternative Service Delivery Models and acceptance that various models could succeed in different localities and contexts – there's no single answer to 'what works'.

These comments provide a brief overview of some of the key issues that relate to public service reform, more detail can be provided and SOLACE Scotland would be happy to participate further in this Inquiry if this were felt to be of use to you.

**David Martin**  
Chair

**SOLACE Scotland**  
**February 2012**

**[SUBMISSION TO THE COMMISSION ON THE FUTURE DELIVERY OF PUBLIC SERVICES \(CHRISTIE COMMISSION\)](#)**