



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Wednesday 31 October 2012

Session 4

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**LOCAL GOVERNMENT AND REGENERATION COMMITTEE**  
**23<sup>rd</sup> Meeting 2012, Session 4**

**CONVENER**

\*Kevin Stewart (Aberdeen Central) (SNP)

**DEPUTY CONVENER**

\*John Wilson (Central Scotland) (SNP)

**COMMITTEE MEMBERS**

\*Stuart McMillan (West Scotland) (SNP)

\*Anne McTaggart (Glasgow) (Lab)

\*Margaret Mitchell (Central Scotland) (Con)

\*John Pentland (Motherwell and Wishaw) (Lab)

\*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Councillor Michael Cook (Convention of Scottish Local Authorities)

Councillor Jim Fletcher (East Renfrewshire Council)

Councillor Ken Guild (Dundee City Council)

Barbara Lindsay (Convention of Scottish Local Authorities)

Mark McAteer (Improvement Service)

Councillor Bill McIntosh (South Ayrshire Council)

Councillor David O'Neill (Convention of Scottish Local Authorities)

Adam Stewart (Convention of Scottish Local Authorities)

**CLERK TO THE COMMITTEE**

David Cullum

**LOCATION**

Committee Room 2



**Scottish Parliament**  
**Local Government and  
 Regeneration Committee**

*Wednesday 31 October 2012*

[The Convener *opened the meeting at 09:30*]

**Decision on Taking Business in  
 Private**

**The Convener (Kevin Stewart):** Good morning. I welcome everyone to the 23rd meeting in 2012 of the Local Government and Regeneration Committee. As usual, I ask everyone to please ensure that they have switched off mobile phones and other electronic equipment.

The first item of business is a decision on whether to take items 3 and 4 in private. Are we agreed?

**Members** *indicated agreement.*

**Public Services Reform and  
 Local Government: Strand 2  
 (Benchmarking and Performance  
 Measurement)**

09:30

**The Convener:** Under item 2, we will take oral evidence from three panels: from the Convention of Scottish Local Authorities, from local authorities and from the Improvement Service. The first panel represents COSLA. I welcome David O'Neill, president; Michael Cook, vice-president; Barbara Lindsay, deputy chief executive; and Adam Stewart, policy manager. I invite Councillor O'Neill to make an opening statement.

**Councillor David O'Neill (Convention of Scottish Local Authorities):** Thank you, convener. I have not switched off my mobile phone, but the good news is that it is on my desk in Verity house, so if we hear it from here, it is very loud.

Local government is committed to improving outcomes for our communities. Almost everything that we do is based around getting better outcomes. We are aware that to achieve that aim we need to understand how we are performing. Over the years we have therefore worked hard to develop robust performance management frameworks and we have used independent audit to support us in achieving that aim.

We are conscious that, no matter how good we sometimes think we are, there will always be scope for improvement. I emphasise that, although we are signed up to benchmarking and committed to it, we see it as an improvement tool and we are clear that it should not be used as a big stick with which to beat us. A culture needs to be developed in Scotland that allows people to say that there are things that we are good at and things that we are poor at. By recognising where our performance is poor, we can seek not only to identify that but to address it and improve performance.

The main thrust of what COSLA will say during the evidence session is that we are signed up and committed to benchmarking as an improvement tool and that we hope to work with the whole public sector to improve outcomes for all the communities that we represent.

**The Convener:** Thank you very much for those comments.

This has been a long process, as the agreement has been two years in the making. Why has it taken so long to get agreement on the way forward on benchmarking?

**Councillor O'Neill:** I think that it would be fair to say that the public sector as a whole was not particularly good at a number of things, including procurement and unit costs, but we are much better at those things now and we recognise the value in them. We now generally know the unit costs and what we are using our money for.

However, we started from a very low base and we must recognise that the private sector was much better at some of those things than we were. It took the public sector—I emphasise the public sector, not only local government—a long time to recognise that there was a weakness. However, having recognised that the weakness existed, we have gone at it at some pace. I suggest that in local government, two years is not an awfully long time.

**The Convener:** I have had the experience of being an elected member in local government for some time, so I realise that things sometimes take a long time. That is one of my main frustrations about local government.

**Councillor Michael Cook (Convention of Scottish Local Authorities):** The history is important. It is particularly important to recognise that councils did not wake up one day and suddenly think, “We need to carry out comparative analysis.” Actually, that went on all the time when you were a member, convener, and it has certainly been going on throughout my time as a member. However, the current change reflects a difference in approach. We have been particularly good at trying to respond to best value since the Local Government in Scotland Act 2003. Certainly, my council has been engaged in that on two occasions. We have also been involved in a pilot project for the latest iteration of dealing with performance information and using it effectively in the management of councils.

It is important to recognise that there has been a line of progress. However, perhaps the most significant aspect of the current change is that we are moving to a situation in which it will be possible to collect any one of the indicators on a comparative basis across all 32 councils. That comparative analysis seems to be the key building block of the approach for the future. Although there were certainly deficiencies in the past, it would be a misunderstanding to suggest that no effort was made to gather such information and to carry out analysis. We did that all the time. The current approach is a step on that road. There is a constant iterative process.

We will continue to build on that, not least in relation to community planning, which is another strand of the evidence that the committee has been taking recently. There will be a desire to build on the process in which we are now engaged and to move forward to carry out benchmarking in

relation to community planning partnerships and not merely local authorities.

**The Convener:** We recognise that there is to be some uniformity in benchmarking. We have been told in evidence on the issue that one difficulty with many previous benchmarking exercises by local authorities was that they often compared apples with pears, which led to the abandonment of projects because the benchmarking did not stack up, as folk saw it. Therefore, we welcome the uniformity. Although we realise that benchmarking was done previously, we must recognise that there were difficulties because of the lack of uniformity. Perhaps David O'Neill or Michael Cook will pick up on that.

**Councillor O'Neill:** I can say a few words about that. You will be aware of the report on the issue by the Society of Local Authority Chief Executives and Senior Managers that went to council leaders. One strength of what we are trying to do is that the people who actually deliver the services on the ground and who take the lead—the chief executives and senior officers in local government—have developed the process. They have developed it so that it will maximise the benefits to local government. If the approach had been imposed from the outside, we might have had a bit more difficulty with it, but this benchmarking approach is a creature of local government and a tool that has been developed by local government officers. That is one of its strengths.

There will need to be an element of groupings or families of local authorities. Yesterday, Barbara Lindsay and I were in Shetland meeting Shetland Islands Council and, on Monday next week, we will meet Glasgow City Council. We probably could not get two more different councils. We need to take account of the fact that there is an element of apples and pears. However, that should not be used as an excuse not to do the benchmarking.

**Margaret Mitchell (Central Scotland) (Con):** Councillor O'Neill mentioned that benchmarking is a tool of local government. I imagine that a key requirement will be to ensure that staff and elected members are on board so that the approach becomes an automatic feature of service management. How do you ensure that that happens?

**Councillor O'Neill:** Performance is one of the four pillars of public sector reform, which are—if I have remembered them correctly—performance, people, prevention and integration.

We need performance to be embedded in the culture of each individual local authority. When people sit down and do their daily work, that needs to be the default position. The officers who are responsible for performance and procuring

services need to ensure—as a matter of course, because that is what they do day in, day out—that we are getting best value for money and the best outcomes for the communities that we represent. It is less about ticking boxes and more about getting positive outcomes.

**Councillor Cook:** To put it simply, the people who have the strongest interest in how councils perform are elected members, senior managers and those who are employed in the councils. As soon as we come into local government, we are engaged in a journey in which we try to ensure that there is a process of continuous improvement in delivering the best that we can for the taxpayer, the constituent and the visitor to our area. As I said earlier, we have long been engaged in a process of continuous improvement, and the best-value approach is evidence of that.

Elected members are absolutely committed to being involved in that process. On a personal level, I have been directly involved since 2003 in all the performance improvement processes in our council, and I take a keen interest in things such as the performance improvement panel that aim to check that we are doing—or striving to do—what we aspire to. That sort of thing goes on all the time.

MSPs may think that they provide a level of challenge with regard to the aspirations of councils, but the people who challenge councils most are the elected members who have that direct political responsibility within them.

**Margaret Mitchell:** Are there any comments from the other two panellists?

**Adam Stewart (Convention of Scottish Local Authorities):** It is worth considering at this point that councils are subject to a range of performance indicators, audit frameworks and external challenges. One of the opportunities in the project that we are discussing is that it allows us to take ownership of those indicators that we think add the greatest value to our understanding of management information locally.

As part of the next stage of that journey, we will take another look at whether there are other elements of external frameworks or other indicators that perhaps add less value but are nonetheless resource intensive, or which perhaps distract management attention from the core information that really indicates the outcomes that are being delivered for communities.

As part of the process, we want to look further than where we currently are to the wider range of indicators and performance information that is being collected, and take an honest look at whether all that adds value and whether it can be improved in a similar way.

**Barbara Lindsay (Convention of Scottish Local Authorities):** As we indicated in our written evidence, the need to improve outcomes to get best value for money and to bear down on performance to do that has been the theme of almost every visit that we and the presidential team have made to councils.

You are right to say that we need to take staff and elected members with us on that journey, but it is not an uphill struggle. They are very much at the forefront of that process, and that has come across clearly at our meetings with councils.

**Margaret Mitchell:** Following on from that, do you consider that you have enough relevant resources to make that interpretation and to make effective use of the benchmarking data? If not, can the Scottish Government or other national bodies do more?

**Councillor O'Neill:** Are you offering us more money?

**Margaret Mitchell:** Absolutely—not.

**Councillor O'Neill:** It is more important, because of the reduced resource, that we do that work to ensure that we are getting best value. The current mayor of Chicago, Rahm Emanuel, who used to be Barack Obama's chief of staff, said that you should never let a good crisis go to waste. Here we are, right in the middle of the biggest financial crisis since the second world war, which should be a driver for us all to do things better than we currently are.

09:45

Moreover, there is no end point to the process. You do not suddenly reach a point at which you say, "That's it—we're performing or benchmarking as well as we should be." It is a continuous process that we should never reach the end of.

**Margaret Mitchell:** Resources do not necessarily have to be cash; they could, for example, come in the form of a secondment from another body to help with comparability. For example, Scottish Water has given us some excellent examples of how the organisation has been turned around, and there might be some value in listening to or seconding someone from that body to find out how it achieved that.

**Councillor O'Neill:** If someone has a better experience than us, we are happy to learn from them. Indeed, we are happy to learn from anyone. If anyone has a good idea, we will be happy to steal it.

Barbara Lindsay might be able to say a little more on this matter.

**Barbara Lindsay:** As the vice-president has suggested, we have to make this part of

everyone's job instead of bringing in someone from the outside. We have the commitment of chief executives, leaders and senior staff and support from the Improvement Service and, as we embark on this journey of learning and improvement, we must be open to looking at other sources of good practice, where appropriate.

**Councillor Cook:** We also need to reflect on where we are moving from, as well as where we are moving to. We are moving from a situation in which, as Adam Stewart correctly pointed out, a whole series of auditing, assessment and scrutiny bodies was looking at councils' performance. Since the Crerar review, there has been an effort to declutter the landscape, which very much fits with local authorities' aspiration for effective, efficient and proportionate scrutiny. If we develop a model that is fit for purpose, allows proper comparisons to be made Scotland-wide and provides proper information for management purposes so that we can drive best value and continuous improvement, we will have reached the right place. Part of the process, however, is ensuring that we have proportionate scrutiny, and we think that this tool will help us get there.

**Margaret Mitchell:** You said that you have some performance indicators, one of which relates to Audit Scotland and independent audit. Do you see the information that we get from benchmarking fitting into the other performance indicators?

**Councillor O'Neill:** It might be better to ask SOLACE about some of the technicalities. However, what I can say is that this is not just one thing; it is part of a suite of tools. We must certainly take account of what external regulators and auditors are saying. Indeed, Audit Scotland is aware of the benchmarking and I have had informal discussions with John Baillie of the Accounts Commission, who knows that we are discussing these matters this morning. We need to instil in the public sector the ethos that benchmarking, continuous improvement and best value should be embedded in the culture.

**Councillor Cook:** We already have a series of statutory performance indicators, some of which, frankly, are pretty redundant. For example, you might look up a statutory performance indicator that tells you the number of people who go to the local swimming pool. The genuine value of that is questionable, and you need to look not only at the inputs at the top but the local authority's performance in the service that it is providing. There is an expectation—I think that Audit Scotland is at least thinking in this direction—that as we develop these new comparative analysis mechanisms the existing SPIs will fall away and become genuinely redundant.

**Margaret Mitchell:** I suppose that preventative spending would come into that. Instead of examining the raw data, you would be looking at the effect of something, whether there were health outcomes and so on.

**Councillor Cook:** It is absolutely not just about the raw data. The information that we are gathering from this exercise comes principally from local financial information and, if you are going to use it effectively as a management tool in your local authority, you will need to examine it in detail and consider all the different angles.

**John Wilson (Central Scotland) (SNP):** Good morning. I was interested in the comments about chief executives and senior staff delivering on the ground. What discussions have taken place with genuine front-line staff who are delivering services in the communities and on the ground and their unions? After all, this should be about benchmarking the delivery of the service on the ground and not about people behind a desk saying that they are delivering this or that. How do we match the benchmarking of what is being delivered against what is genuinely being delivered on the ground by front-line staff?

**Councillor O'Neill:** That question is probably better answered by individual councils. However, I know from experience as a North Ayrshire councillor that that council spends a considerable amount of time engaging with the workforce to ensure that we are fully aware of the issues both as they see them and as they deliver services. I am very conscious that councillors, chief executives and senior officers of local authorities do not necessarily deliver the services to communities and that services are delivered by people at the front line, the coalface or whatever you wish to call it.

It might be worth while repeating my first comments: councillors are absolutely committed to improving outcomes for their communities. Indeed, that is what this is all about.

**Councillor Cook:** I am keen to endorse a couple of David O'Neill's points. First of all, although we should remember that benchmarking is principally a management tool, we also need to understand that it is embedded in councils' DNA. I say in response to Mr Wilson's question that that is demonstrably true. As an example of that, I have brought with me a copy of Scottish Borders Council's most recent best value audit, which was done in 2010. In the audit, councils are asked about the pervasiveness of performance culture right down through the edifice; I am happy to say that our council's answer to that question was, "Pretty good." That kind of question has been asked since 2003 and will continue to be asked as we move forward, and managers will be

determined to secure that sort of response from staff.

**John Wilson:** Fortunately, as four ex-councillors—a majority, I note—sit on the committee, we know both as councillors and as MSPs what public service delivery is all about and are keen to see the best public performance possible. *[Interruption.]* I am sorry—I forgot that Margaret Mitchell was also a councillor. I knew that her husband was. That makes five ex-councillor committee members, who make up a formidable team when it comes to looking at council services.

Although benchmarking is a tool, we need to be aware that when we measure anything we have to do so against delivery on the ground. Part of the problem over the years is that although good management and accountability structures have been put in place, we have not had that delivery. Councillor Cook might not consider an SPI on the number of people going to a swimming pool to be relevant, but it will suddenly become relevant when a council is thinking about closing down a swimming pool and is looking at the number of people who are using it. Instead of measuring the real value of a service, a council might use benchmarking on, say, the use of certain facilities in order to weigh up its decisions on, and perhaps cut, those services.

**Councillor Cook:** To be honest, I think that your last point misses the point. The important point flowing from that is the need to examine contextual information about swimming pools or any other factor that we are looking at. For example, if you are comparing information from Highland on cost per primary school pupil with information from another local authority, it is important that you do that—to follow the convener's analogy—on an apples-with-apples and pears-with-pears basis. That is why there is a move in the direction of families, which aggregate councils that have similar social demographics—a similar population base and similar content, in terms of the people whom they service—so that we can make proper judgments about those things.

We need to recognise that when it comes to a whole range of factors, there is legitimate variation based on local democracy. It is up to councillors, who are the local democratic agents within councils, to make a policy judgment about some of those things. To take the example again of cost per pupil, that may not simply be a factor of the contextual situation in which those schools exist. It may also partly be a consequence of policy determinations that those elected members have made and that is absolutely right. Sometimes we hear complaints about the postcode lottery.

Sometimes the postcode lottery is local democracy in action.

**John Wilson:** I listened to Councillor Cook with interest and, for me, what he said raises the point that benchmarking will not be a uniform tool across the 32 local authorities. There will be variances to benchmarking, with regard to the convener's earlier comment on apples and pears. If we are looking for uniform delivery in benchmarking or, as other members have mentioned, in terms of best value, how can we be certain that the benchmarking measures that are being used are applicable to the local authorities—if local authorities do not opt out of the benchmarking measures that can be uniformly attributed to the delivery of services? Are we saying that we will have benchmarking but that we will not be able to compare the delivery of services by the 32 local authorities or to compare each authority against each other—it will be based on families and possibly on different service delivery?

**Councillor Cook:** I am slightly confused by the question. The simple fact is that we will have consistent benchmarking indicators across Scotland, but we will need to aggregate councils, recognising that the data and the information from different councils with different characteristics—different population bases—will be different. It is no more complicated than that.

**Councillor O'Neill:** We are talking about uniform benchmarking, but we are not talking about uniform delivery of services. Local government does not deliver uniformly across its communities. In my council, North Ayrshire, the least deprived community has a life expectancy that is 18 years longer than our most deprived community. We do not deliver the same services to those two communities—we deliver services according to the needs of each community.

We have used the word “outcome” quite a few times today and I am happy to repeat that. It is about outcomes; it is not about outputs and it is not about ticking boxes. It is about getting positive outcomes for our communities.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I have at last discovered why the two people who have no council experience are the furthest from the salt at this particular dining table.

**The Convener:** I would not take that as being the case, Mr Stevenson.

**Stewart Stevenson:** I welcome David O'Neill's initial comment about his commitment to improving outcomes and absolutely accept that that is the case. He also said that he would copy a good idea from anywhere, so I am going to give him one. Perhaps if we want to get staff involved we should not talk about benchmarking at all because it is a

techie thing; we should talk instead about a self-improvement programme, then everybody will realise that they have to do it for themselves. That is an idea for you to discard or use, as you wish. Certainly, when Michael Cook said that benchmarking is principally a management tool, I could envisage front-line staff immediately distancing themselves from it and saying, "It's nothing to do with me." However, that is enough observation—you can deal with my observations in any way that suits you.

I want to tease out how you will use the indicators and where the approximately 40 indicators have come from. I have done my own categorisation of them. From that, about a third of them seem to measure inputs, most of the remainder are outputs and there are one or two about which I am uncertain. That is a subjective view; it is not an objective assessment—I do not want to suggest that it is.

I accept that many of the outcomes are delivered over long periods, and that you need therefore to keep an eye on inputs to determine whether you have in place the right ones that you believe will lead, in the longer term, to the right outcomes.

10:00

My initial question is this: what professional skills have been deployed in identifying your list of inputs to measure in order to determine that they have relationship with the outcomes that you seek? I will say immediately, picking up on what David O'Neill said, that I expect that some of the answer might come not from the current panel but from SOLACE, although I would certainly like to hear your contribution to the answer.

**Councillor O'Neill:** I can say a few words about that. Thank you for your good ideas; we will take those away and ruminate on them.

The benchmarking suite was put together by SOLACE. Perhaps Mark McAteer will be in a better position to answer detailed questions about it when you take evidence from him. I suspect that, like any tool, we will spend a considerable amount of time sharpening and honing it. This is the start of a process and I suppose that in a few years some indicators will be replaced and some will be altered. We should not see the indicators as being set in tablets of stone. As we improve the tool, we ought to be able to improve the outcomes for our communities.

**Adam Stewart:** I would emphasise the points that Councillor O'Neill has made and will also pick up on the points that were made by Mr Stevenson and Mr Wilson on the self-improvement agenda. We are talking about one tool that is used as part of the wider approach to performance

management, an aspect of which is a much greater focus on outcomes. We have talked a little about the challenges that are related to developing that approach. It is also about the heavy investment that councils have made in self-assessment over the past few years through the public sector improvement framework or other European Foundation for Quality Management methodologies. All councils are adopting those as part of their internal scrutiny mechanisms and are subject to some external challenge.

Although the indicators play into that environment, scope is developing for much greater local ownership within individual services. A comprehensive programme of self-assessment has taken place in most councils over the past couple of years. There is obviously always scope to ensure that messages from such self-assessment exercises feed into the information that we collect as part of this exercise. Given that the benchmarking exercise is wholly owned by local government, there is a much more straightforward avenue for doing that than perhaps there was previously when some of the indicators on which information might have been collected were conjured up by external bodies such as the Accounts Commission and so on. Progress is being made and there is probably scope for that to be faster paced in the future.

**Stewart Stevenson:** What you have said has not answered the specific question about why you have chosen particular inputs, which I assert—without evidence—are to support your assessment of the journey to the outcomes, which may be relatively long term. I expected a limited answer, but I think that the committee needs to ensure that, by whatever appropriate means, we get that answer. We may return to that, convener.

**The Convener:** Yes.

**Stewart Stevenson:** Let me move on to another point, because I do not want to take up valuable time wearing out something that we are probably not going to make too much progress on.

Michael Cook talked about comparative analysis and indicators collected on a comparative basis. The word "uniformity" was used at some point. When information from disparate environments is compared it usually goes through a process known as normalisation, so that it becomes valid to make comparisons. What advice have the councils received about that? What is the process? Who is advising them? The councils may have not done much of this before, because it is a slightly different approach.

How, professionally, will we ensure that normalisation is done in a way that is useful to each council? Even the very best performing council—which might be so far ahead of everyone

else that that fact is in your face and you know it—should still be able to look at the activities of other councils and say, “They’re doing something better than we are” and continue the process of improvement. However, that can happen only if there is normalisation. How will that be done? In a sense, it must be a highly objective process and it is probably also one that must be carried out externally. My assertion might be wrong—you may have a different approach.

**Councillor O’Neill:** We are confident that the process will work because the people who designed it are practitioners; they do the work day to day.

**Stewart Stevenson:** I am sorry to interrupt. Are you talking about the practitioners who are already employed by the councils?

**Councillor O’Neill:** Yes. I am talking about the members of SOLACE: the chief executives, senior officers and senior managers drew the project together.

**Stewart Stevenson:** I think that that is absolutely right and proper—leadership would have to lie there, in a technical sense.

Did the people in SOLACE think that they had all the necessary skills at the outset, or did they take steps to acquire the skills, or engage advisers who had them? In my experience at senior management level, I never assumed that I had all the necessary skills; mostly, I concluded that I did not.

**Councillor O’Neill:** You would really need to ask the people in SOLACE whether they thought that that was the case. In my experience, they are not shy in saying that they have, or do not have, the necessary skills.

**The Convener:** We can pick that up with the third panel of the day.

**Stewart Stevenson:** That is fine.

**Anne McTaggart (Glasgow) (Lab):** Good morning, panel. I will take us back to community planning. What challenges are faced in applying the benchmarking approach to community planning partnerships, especially as regards their contribution to delivery of outcomes?

**Councillor O’Neill:** I am a great fan of community planning. It would be good to get the whole of the public sector signed up to community planning in at least as strong a way as local government is signed up to it. We have the review of community planning—

**The Convener:** Can I stop you there? You mentioned getting all of the public sector signed up; from evidence that we have taken, it seems that much of the public sector is signed up. The difficulty is that the private sector and, in particular,

the third sector do not feel that they are allowed to add the value that they could add. Could you comment on that?

**Councillor O’Neill:** That is probably quite a fair comment to make, but it is also true that although we have legislation that requires local authorities to participate in the community planning process, it does not yet apply to the rest of the public sector. The rest of the public sector come along to CPPs, but they are not under the legal requirement that the local authorities are under.

It would be wrong of me to pre-empt the outcome of the review of community planning, but I think that I have given a fairly strong hint about what I would like the outcome of that review to be. A legislative framework that would require the whole public sector to take account of improvement tools, including benchmarking, could only be positive.

**Councillor Cook:** To embellish what David O’Neill is saying, community planning is still very much in development. There is the national oversight group, which involves ministers meeting representatives from the whole public sector to shape the agenda. Concurrently, there is the performance improvement and benchmarking agenda. We will not wake up next Monday and find that we have a series of benchmarking propositions across the whole public sector, but what is important from the committee’s perspective is that the aspiration—certainly on the part of local government—exists to get to that place. There is a view in COSLA and across local government that community planning is a very good answer to the aspiration that we have across the country to improve outcomes. That is what it is all about. We need to build benchmarking mechanisms that allow us to drive performance on a cross-sectoral basis—for example, when work cuts across a local authority, a health board and the third sector. If we can identify outcomes and indicators and use those as weapons to drive performance, we will get to the right place, but it will take us time to get there.

**The Convener:** Anne, do you want to come back on that?

**Anne McTaggart:** No. That is fine.

**The Convener:** I will follow up on the point, in that case. We have found from evidence that we have taken on community planning partnerships that there is good practice and bad practice. Committee members can correct me if I am wrong, but I think that we found that the partnerships that seem to be stronger are those that are influenced by the private and third sectors. David O’Neill talked about compelling folk to get involved. Would it be wise to compel people to become involved,

rather than to persuade them to come on board, as has happened in many places?

**Councillor O'Neill:** Some of the other public agencies are direct agencies of Government, so if Government tells them to do it, they will do it, and if Government tells them not to do it, they will not do it. I know that this is not meant to be an evidence session about community planning, but I am more than happy to talk about it.

**The Convener:** I think that it is extremely important for benchmarking services to ensure that there is a level playing field. As Ms McTaggart does, I think that community planning partnerships have an immense part to play in that regard. We will do well in benchmarking and service improvement in the areas where community planning partnerships seem to work better.

**Councillor O'Neill:** You are right that community planning works well in some areas but not in others. However, we are clear that we do not want to be just as good as what is currently the best in community planning; we want to see a step change in community planning so that everybody moves up to a higher plane than we are currently on, and that all deliver positive outcomes for our communities. I will leave it at that.

**Councillor Cook:** If we do not make the step change, we will have a big difficulty. We all know what is coming to us from the financial context in which we operate. What is driving the national group's community planning discussion is anxiety about what is out there and the need to improve outcomes in a context in which resources are under pressure for a range of reasons. There is not only growing demand but a substantial reduction in resources. To be frank, unless we make a step change, we will struggle to find the £3.9 billion that we have to find by 2016-17. On the part of local government and—we detect—on the part of national Government, there is a genuine desire to use community planning to come up with some answers. That is the direction that we are driving in.

**Councillor O'Neill:** I want to say something about an aspect of community planning that has proven to be successful. At its beginning, it was seen as a community of delivery organisations, and it worked quite well in that respect. However, we have moved beyond that, and community planning is now not only about a community of delivery organisations but about place: it is about geographical communities and delivering for those communities.

**The Convener:** I am sure that we will have you back at some point to talk further about community planning.

**John Pentland (Motherwell and Wishaw) (Lab):** David O'Neill's letter to the convener says

that many discussions have taken place on benchmarking, but that his

“major concern was not about the benchmarking framework itself, but about the external environment created by the media, audit bodies, Parliamentarians”.

That comment is similar to what was said at a recent committee event, which identified as the biggest risk media management once the benchmarking data are made public. What are COSLA's views on that and what would be the best way of handling publicity about the data?

**The Convener:** Who is going to deal with that?

**Councillor O'Neill:** I am happy to start, convener—then anyone else can put their tuppence-worth in.

There is a danger that we will end up with league tables. Journalists will inevitably sit down and look at the results of the benchmarking, and put it into league tables. If that is all that happens with benchmarking, we will, to be frank, have wasted an awful lot of time and effort. We need to get beyond that.

10:15

One way in which we can do that involves politicians acting in a more mature manner. For example, if one local authority ends up at the wrong end of a benchmarking report, it would be wrong for the opposition on the council to use that as a club to batter the council administration about the head. It would also be wrong for MSPs to use the reports as a club to batter local authorities about the head. We can hardly criticise journalists for doing that if we as politicians do it, so we need a degree of maturity from the politicians. Among the Scandinavian countries, Sweden has been doing that for many years. It has that degree of maturity, in that benchmarking is already viewed as an improvement tool and is not used as a club to batter folk.

We are very conscious of that. When SOLACE was drawing up the scheme, it spent a considerable amount of time debating whether the information should go into the public domain. It concluded—I agree—that if the information did not go into the public domain by SOLACE's own hand, it would do so by someone else's hand, so it would be as well just to get the information out there and to try to develop the appropriate level of maturity that is required to make the process work.

**Councillor Cook:** David O'Neill has touched on the wee story that I was going to offer by way of example. At the COSLA conference back in March, a representative from Swedish local government came along and spoke about benchmarking. She was asked about how that played out in the Swedish public domain, and her

response was—as David O'Neill hinted—that, in the Swedish culture, when there is a deficiency or defect, an effort is made to rally round and everyone pulls in the same direction to ensure that the last ship in the convoy is running at the same speed as the others. There is a maturity to the political and public reporting culture in Sweden that would be a noble aspiration for us in Scotland. It would be very helpful indeed if the committee could help us to reach that aspiration.

**Adam Stewart:** I have a point about some of the practical things that we can do around benchmarking. One action that we are taking, alongside SOLACE and the Improvement Service, is to develop media messages that explain the indicators, and perhaps give some insights into what they do or do not tell us about variation, and into how people can interpret the information locally. We are doing that with a view to ensuring that, when people look at the information, they have in mind some of the legitimate variation that might exist. Those messages will accompany the information when we make it public early in the new year.

**The Convener:** Does John Pentland want to come back in?

**John Pentland:** No—I think that the witnesses have answered the question. I have one further question with regard to—

**The Convener:** I will take Stewart Stevenson and Margaret Mitchell, because they have things to say on that point. Does Stuart McMillan have something to say on that point too?

**Stuart McMillan (West Scotland) (SNP):** I have a different question.

**The Convener:** Okay. I will let you in afterwards.

**Stewart Stevenson:** Have councils considered the presentational approach to information provision that the Government uses in its Scotland performs website? I imagine that each council's progress would be marked as "improving", "steady" or "deteriorating". If councils were to provide the media with information in that way, there could be a proper political debate around it. It is proper to compare councils with each other not on how they are doing but on whether they are moving in the right direction. If councils were to take that approach, it would give the media something that it could use without much effort and give the debate a different focus. In Government we have not always found that approach to be pleasant, because the arrows can sometimes go down, but we can focus on those things. I commend that approach to you and ask whether you have had a wee think about it.

**The Convener:** Is that an approach that people have considered?

**Adam Stewart:** That is very much in keeping with the kind of approach that individual councils use in their public performance reporting. Obviously, technology has a large part to play in that. On the publication of information, Mark McAteer will be better placed to give specifics on the format, but certainly web availability and analysis of information are very much on the cards.

**Stewart Stevenson:** Okay. Good.

**Margaret Mitchell:** I am afraid that what is coming over from the panel is, "Please don't criticise us. There will be bad information out there, but don't say that this is unacceptable and shouldn't have happened." I accept that people will make such comments, but for me the key thing is that issues are identified and councils do something about them. If councils really are signed up to benchmarking, inherent in that should be a robust response that benchmarking has actually achieved what you wanted it to achieve, that benchmarking has identified what councils are doing well and, equally, that it has identified weaknesses and shortcomings. Crucially, as a result of that, councils could work on those weaknesses and shortcomings and make improvements.

If councils had that attitude to journalists and politicians and were really sold on benchmarking, they would give a robust response rather than go down the line that Adam Stewart was suggesting, which seemed to be, "Yes, those are the figures, but here are the mitigating factors", which is almost like making excuses. Councils should be up front and say, "We're not happy with this performance, but we're pleased that benchmarking has highlighted the issue because it gives us the opportunity to do something about it."

**Councillor Cook:** There are a number of aspects to that. Plainly, we are not saying, "Don't criticise poor performance or failure." There is an acceptance that poor performance will be criticised. However, we need to recognise that the arch-critics will be councillors and people within councils who will sometimes have a better grasp of some of the issues that are developing—notwithstanding the huge experience that exists on the committee.

We also need to recognise what the purpose of the benchmarks is; they are a management tool. They are can-openers to allow us to get into information in councils, to drill down and to find out why certain things, allowing for contextual matters, are different. Where we identify that something is different, there will be a political pressure on managers within councils to ensure that they

change that for the better so that the council gets to a place that is not only the best in Scotland but better than the existing best in Scotland. That is the kind of aspiration that we are talking about.

Without overstating the matter, I think that what we have currently is typically a culture in which councils are sometimes used as footballs without any context being applied. That is simply unhelpful. For example, on the payment of bills, if people set a false perspective—the SPI is payment within 28 days—and criticise councils on that basis, that is simply a negative story without any genuine purpose that would drive improvement within that council.

**Barbara Lindsay:** I absolutely do not think that the message is “Don’t criticise us.” We need to create a culture across the public sector of change and improvement, and that means creating an environment in which it is entirely feasible to say, “Yes—we’ve collected this information and produced it”, so that everybody is clear about what it means and what it does not mean. Rather than just making crude comparisons, we need a culture in the public sector such that it is possible to say that we will use that information to improve.

**Margaret Mitchell:** I was very much encouraged by the beginning of Councillor Cook’s response but discouraged by what he went on to say. If there is a problem with late payment of bills, say that there is a problem and look for why. If there is not a problem, justify why you have done what you have done, but ensure that you are robust. The whole ethos needs to be about improvement. I think that we both agree on that.

**Councillor Cook:** We are absolutely disposed to that. The point is that we would do that on the basis of the proper benchmarking indicator.

**John Wilson:** I see that 50 per cent of the identified indicators in the SOLACE benchmarking suite that was sent to the committee have the word “cost” in them, from “Cost per Primary School Pupil” through “Total HR Cost per 1,000 Employees” down to “Cost per Visit to Libraries”, “Cost per Visit to Museums” and “Cost of Waste Collection per Premise”. How do we get round that issue? How do we compare such measures, particularly the cost of road maintenance, across 32 local authorities that will have varying costs for the delivery of those services? How do we benchmark when 50 per cent of the identified indicators are about the cost of services in local authorities? Clearly, as Councillor Cook said earlier, cost factors for the delivery of services will differ between local authorities. As Councillor O’Neill mentioned, the cost of service delivery in deprived areas will be different from that in other areas.

The media in particular will be very interested to see how much it costs Glasgow City Council per visit to a museum compared with, say, the cost per visit to museums in North Ayrshire. We could end up creating a bigger rod for the backs of local authorities that are trying to deliver services that they consider add value to a community rather than putting a pounds-and-pence cost on those services.

**Councillor O’Neill:** I am not at all clear why we would not want to know what it costs us to deliver a service.

**John Wilson:** The point that I am trying to make is that it is clear that some local authorities will spend more per visit to a museum, for example, than others. If we are benchmarking 32 local authorities using the suite of indicators that you have provided to measure the performance of local authority against local authority, some people—I am not saying all people—will then ask why North Ayrshire Council pays X amount for a visit to a museum whereas Glasgow City Council pays only Y amount.

**Barbara Lindsay:** I will say three quick things about that. First, as the president of COSLA said, there is no reason why we would not want to know the cost. There may be a perfectly reasonable explanation for why an authority’s costs for something are more than an adjacent authority’s costs, but the first authority might want to address that because it represents a saving or efficiency that could easily be made.

Secondly, the set of indicators or benchmarks to which you referred has been chosen because we—the Improvement Service, SOLACE and COSLA—feel that they are robust and capable of stripping out the sort of explicable variation between authorities about which you are talking.

Thirdly, it is important to appreciate that the benchmarking suite is also a way into a conversation about outcomes. The benchmarks are not an end in themselves.

**The Convener:** They will also be caveated, of course.

**John Pentland:** Regardless of how robust local authorities or COSLA are in using the big-stick approach, there will always be a story for somebody in the media to use against them, because a benchmarking exercise might show clearly that a service must be withdrawn or improved, so we know that they are up for criticism one way or another. That is probably somewhere down the road. I agree with David O’Neill that we must be grown up and realise that local authorities are not improving or taking away services just because they want to but because they are benchmarking.

David O'Neill said—and I agree with him—that local authorities are primarily responsible for their own performance. Should COSLA, the Scottish Government and the Scottish Parliament have a role in supporting the implementation and operation of the benchmarking project?

**Councillor O'Neill:** The people to whom local authorities are primarily responsible and accountable are their electorates but, across the public sector, there are agencies—regulators that are appointed by the Scottish Government or the Scottish Parliament, such as the Accounts Commission and Audit Scotland or Social Care and Social Work Improvement Scotland—that monitor what local authorities do. They do the holding to account, if you like, on behalf of either Parliament or the public. It is right and proper that we should engage with them as fully as we can. As I said earlier, I had a brief discussion with the chair of the Accounts Commission about what we were doing with benchmarking. There has certainly been a change in attitude. The Accounts Commission and Audit Scotland support what we are trying to do—we are singing from the same hymn sheet.

10:30

**Stuart McMillan:** Good morning, panel. I have a couple of quick comments, one of which is about Sweden, which Councillor O'Neill and Councillor Cook spoke about. I studied in Sweden, and I absolutely agree with what you said about the country. It is a model that we should look at and learn from.

Secondly, Councillor O'Neill talked about "politicians acting in a more mature manner."

Good luck with that—[*Laughter.*—]given what the public has seen in the past week. Many members of the public have told me that they have been disappointed with how some politicians have acted. Henry McLeish's comments last night on "Scotland Tonight"—

**The Convener:** Mr McMillan, I do not want to get into a debate on last week's politics.

**Stuart McMillan:** I will ask my question, convener. The benchmarking suite was extremely interesting, but one point stood out for me, which was sickness absence days per employee. I am very much aware that with any action there will be a reaction. This ties in with a question from John Wilson about ensuring that you take the workforce with you rather than impose something on the workforce. Whether it is in annual league tables or when information is published, if it is seen that there is an increase in absence days in a local authority, how will COSLA help the local authority

to deal with that? I pose that question bearing in mind Councillor Cook's comment:

"Sometimes the postcode lottery is local democracy in action."

I fully appreciate that local councillors take decisions for the benefit of their area but, if there is a negative reaction to that, what will you do to assist?

**Adam Stewart:** I can say a little about absence management in particular, because it is a good example of how we might use information to drive improvement. Absence management information is probably one of the most well-established areas of information that councils have been collecting for a number of years. You can follow the trends quite closely over that period. It is also an area in which councils will look closely at the relative performance of other councils with a view to identifying how their absence management policies are driving improvement. There is a host of what we might call benchmarking clubs—formal and informal—in the professional human resources community to look at that issue.

On the interventions that might be made, the focus is on improving attendance and the health and wellbeing of the workforce. The councils that have perhaps made the biggest improvements have had active and robust policies on health and attendance and have applied their absence management policy robustly and consistently. This is a good example, which we have seen in recent years, of where this kind of information can really drive improvement.

**Councillor Cook:** I can add a political dimension to Adam Stewart's helpful explanation. It so happens that my responsibility in Scottish Borders Council includes HR. Let us say that our absence figure is 12 days per employee, and for a comparator local authority the figure is nine days, I will want to challenge my managers about why the other local authority is at that level of performance and we are not. What are the contextual factors behind that? Why are we in that position and it is not? What is it doing differently in its approach to operational management? That quite neatly demonstrates what benchmarking is principally about. We expect it to be used by the public, we expect it to be used by parliamentarians and we expect it to be used by the media but, primarily, we are benchmarking so that councils can get our internal processes right in order to serve the public and to ensure that we are delivering as well as we can. That is the objective that sits behind benchmarking.

**Stuart McMillan:** Thank you, that is helpful.

**The Convener:** When does all this go live?

**Barbara Lindsay:** The intention is that it will go live later this year, so figures will be published towards the end of the year.

**The Convener:** I thank the witnesses very much for coming in. It has been most enlightening. We will suspend the meeting for five minutes to change the seating for witnesses.

**Councillor O'Neill:** I want to thank Stewart Stevenson for both his good ideas—we will take them away.

**Stewart Stevenson:** They are free.

10:36

*Meeting suspended.*

10:41

*On resuming—*

**The Convener:** Our next witnesses represent council leaders. I welcome Councillor Jim Fletcher, who is leader of East Renfrewshire Council; Councillor Ken Guild, who is leader of Dundee City Council; and Councillor Bill McIntosh, who is leader of South Ayrshire Council. Gentlemen, do you wish to make any opening remarks?

**Councillor Jim Fletcher (East Renfrewshire Council):** Good morning and thank you for inviting me and my colleagues along this morning. From my perspective and from the perspective of East Renfrewshire Council, we very broadly welcome benchmarking. I represent a council that was perhaps a political creation and is a small to medium-sized council. We are very alive to the fact that many people—certainly at the outset—felt that we would not cope with the big-ticket items such as education and social work. We always felt and we probably still feel that we have a point to prove. The only way to prove that we deliver those services well is by having some sort of evidence. Benchmarking provides that, so, as a council, we have never been afraid of it.

I am even relaxed about the political opposition having a go, because that is what politicians do and I do not suppose that that will ever change. I will be honest enough to say that I trade off good figures. If we get good results from benchmarking, as the leader of the council and the leader of the administration, I will use those results in my favour. At the council election last year, I quite unashamedly campaigned on the basis that I believed that we were a good council and no one would want to cast a vote to change that. That was largely successful, so I think that, living in the political reality, politicians will use whatever comes out of benchmarking for their own benefit. The only thing that I would insist on is that the information that people look at—whether it is

MSPs, MPs or the press—should be fair and not just a crude league table.

For example, if you look at our recycling record in East Renfrewshire, you will see that we are top of the league—we have the best recycling record—but if you look at our unit cost of collecting bins, you will see that we are in one of the lower quartiles. You could pick one of those stats and give us a gold star or you could pick the other one and give us a black mark. However, you have to look at such things as a package. We provide a weekly food waste collection and a weekly garden refuse collection. We heavily recycle and we ask people to separate their plastics, their bottles, their tin cans and so forth. It works very well and it saves us a lot of money in landfill. Although we have excellent recycling rates, it is not the most efficient way to collect the waste. That is a political choice that we have taken as councillors, so anybody looking at what we do in waste collection and recycling needs to look at the whole package.

10:45

**Councillor Ken Guild (Dundee City Council):**

The fact that this morning's panel of local authority spokespeople reflects a broad cross-section of local councils suggests that the committee realises that, when it comes to benchmarking, one size does not fit all. There will be massive differences—geographic, political and socioeconomic—between one council and another. Whatever the results of the benchmarking, the important point is that it is contextualised so that the exercise does not come down simply to raw statistics.

The committee may find it ironic that two councillors will speak rubbish one after the other. In Dundee, we have for many years had a waste-to-energy plant, which has had a slightly chequered career. It is currently out of action after a major fire. Beforehand, we had one of the lowest landfill totals in the whole of Scotland, largely because we have the smallest footprint of any local authority in Scotland. We have not got all that much land to fill, so we have to buy land from our neighbouring councils. At present, because the DERL—Dundee Energy Recycling Ltd—plant is out of action for anything up to nine months, we are busing large truck-loads of waste into neighbouring council areas for disposal. That means that we will score very badly for the next two years on waste disposal and the cost of it, but I suspect that, in two or three years' time, we will be pretty much at the top of the league again.

That example highlights that benchmarking will not produce a simple snapshot. It is an on-going process, and the interest will lie not in the raw statistics but in how the statistics change in the various councils over a period of years.

**Councillor Bill McIntosh (South Ayrshire Council):** I welcome benchmarking, as I welcome anything that gives us something to compare. However, I would be disappointed if, when we get the benchmarking figures, they do anything other than confirm what we already know. We should know what we are good at and what we are bad at, although not necessarily how good and how bad. One example from the list of items is housing voids, on which we are doing quite poorly just now. We are well aware of that, and we are targeting it. That issue is mentioned almost on a daily basis, and we are grilled by our own members and scrutiny panels, so we are looking at it. Any council should be self-aware.

We might say when we get the benchmarking figures for certain areas, “Yes—that is about where we thought we should be.” However, we must then ask whether we want to improve that position, or whether we should, for whatever reasons based on local priorities, leave it at where we are and concentrate on other areas. It is vital to have uniform benchmarking at a national level, but it should be down to individual councils to use it as one of the many tools that will help us to move forward.

**The Convener:** Thank you. It has taken two years to complete the project, which is a pretty long time. Would you like to comment on the length of time that it has taken to get us to where we are now?

**Councillor Fletcher:** The two-year project is a good way of trying to distil performance down to the key indicators. As councillors, we look at—and large—around 50 key indicators that are very much related to our single outcome agreement, so this is the right direction of travel. We used to get a raft of indicators before, and I do not think that councillors ever read them in enough depth—you could spend a month of Sundays reading them.

**The Convener:** You have never spent much time in Aberdeen City Council, Jim. I was the biggest anorak under the sun when it came to those figures, and there were many others. It is disappointing to hear that not many councillors would read them all.

**Councillor Fletcher:** In my experience, councillors had reams of performance indicators, and their eye would inevitably be drawn to the negative ones. Those are the things that we must pay attention to, but if we are dealing with hundreds of performance indicators, I do not think that we can give them all due weight. Professionals in fields such as education can do that. As a council, we have looked at exam results. Councillors look in great detail at those results school by school, and professionals can use those detailed indicators to drive performance and look for best practice across the board. Rather than

councillors looking at all the indicators for everything that the council does, it would seem to be much more productive to distil them down and relate them to the single outcome agreement. The work that we are doing, driven by SOLACE, and other organisations such as COSLA and the Improvement Service, is the right direction of travel.

**Councillor Guild:** The main point of the exercise is to improve the level of public service to encourage best practice. That is not something that we particularly want to rush. Okay, it has taken us two years to get here, but we are now in quite a good place. What is happening now is that these benchmarking points will be embedded in the day-to-day working of every department in every council in Scotland. They will be the same benchmarks for each.

During a previous session, a fair bit of attention was given to external assessment. Audit Scotland was not mentioned by name, but I will mention it by name because I think that we have had more visits from Audit Scotland than any other council in Scotland, largely because it does not like our committee structure. What happens there is that senior management are taken away from the jobs that they are being paid to do by the public—and expected to do by the public—to take part in lengthy meetings and seminars and spend lots of time preparing for these audits. We sometimes get the impression that the report has almost been written before Audit Scotland arrives.

It would be much better if councils had something that was built in and open to scrutiny by themselves—we would all know that it was a benchmark and that every council was looking at the same things. However, as I pointed out, it is not a case of one size fits all, so the differences between councils may have an impact on how each council scores on each heading.

**Councillor McIntosh:** Two years is a long time. In the day job of being a council leader, it is frustrating how long it can take for many things to come to pass in a local authority. There are 101 reasons for that, but the main thing in this case is that we should ensure that when benchmarking comes in, it is right. I am hoping that that will be the case, given all the work that has been done that has got us to this stage. We heard earlier from COSLA that it is hoping to introduce it this year, so let us get the show on the road and make it work.

The two years for the project is maybe unfortunate but, to some extent, it is the nature of the beast. There is a disparity at times between the council and the real world. We need to get better at that, because running a council is like running a sizeable business. If you do that with business principles, you start to improve the timeframes. Officers at all levels, starting at the top

and moving down, start to realise that things can be done a wee bit more quickly than before. There is a culture change there. The bottom line is that if we have got benchmarking right now, I am happy to have lived with the two years—let us get the show on the road.

**Margaret Mitchell:** Good morning, gentlemen. You will have heard the questions to the previous panel. How will you build in ownership of benchmarking among staff at officer level, those providing front-line services and elected members so that it becomes automatic in service management?

**Councillor Fletcher:** I hope that we have a culture in our council such that people are proud to work for the council and want to work for it. We have to work in partnership with our staff. When it comes to dealing with trade unions and staff representatives, I operate a system in which my door is always open. People can speak to me informally if there are issues that they want to discuss, and we have formal joint consultative committee meetings at which all those things are touched on.

For example, we really drive our staff in education to deliver. There has been some press comment that our staff are put under undue pressure. I do not think that that is the case, but it is something that the education committee, as a body, does consider. The director of education and his staff are questioned quite thoroughly about that. As I said, we have very good links with the trade unions, and if any individual member of the Educational Institute of Scotland—a teacher or a trade union colleague—wanted to speak about such an issue, the door would be open for that sort of dialogue.

However, there must be a culture in which the workforce understands that it is important that a council performs well and that staff work efficiently. That comes down to good line management and good senior managers who can lead by example.

**Councillor Guild:** The term “ownership” has been used, but it is more about responsibility than ownership. There is very much joint responsibility between elected members and officers at all levels, and that is certainly the way in which we are approaching the whole benchmarking ethos. We meet regularly with our senior management team and senior conveners, and our conveners are always in contact with the directors. Senior members of the administration, including me, are now sitting in on a regular basis on management-union meetings, so information is being passed on.

As my colleague Jim Fletcher said, the ethos of working for a council and trying to make it better

can be found in virtually every local authority in Scotland. The five committee members who have been on councils before will probably realise that that ethos exists in most councils.

**Margaret Mitchell:** I am interested in that response. For me, responsibility can be a double-edged sword. It can be a burden, whereas ownership suggests more of a voluntary willingness and enthusiasm to engage in the process. I ask you to reflect on that.

**Councillor Guild:** The word that I would use is “partnership”, which suggests exactly that.

**Councillor McIntosh:** I think that front-line staff want to do well, and they know when things are not working, but we need to ensure that there is good communication. There is no point in having front-line staff who are good at their job but who are—for whatever reason—not being empowered to do it. They must be able to go to their next in line and say, “I’m not happy with this.” The communication needs to go up, down and across. We can easily just get the report and say, “We’re not happy with this—we need to do something about it,” and that will filter down. The senior manager will talk to the middle manager, and they will have a staff meeting and tell people. That is fine, but we need buy-in as a whole from the bottom up.

As I said earlier, if we get the benchmarking right, it should only confirm how we feel about ourselves anyway. We should know how good or bad we are, but we cannot know if we are not empowering the person on the front line to say, “This is not how you should empty bins,” “This is not how you give out benefit payments,” or whatever. We need to get it right at that basic level.

We need to communicate with staff, which I think we are doing quite well. I will not pretend for a minute that we are 100 per cent on that, and we probably never will be, but we are driving it forward. When we took over in the council five years ago, there had not been a staff survey for seven years. That is just one example of what not to do. We now have those surveys regularly. We do not always get the answers that we want, but it shows that we are improving and that staff are willing to talk.

We need to facilitate staff to be able to say, “This isn’t right.” The manager can then take that on board, and come back to us to say, “We cannot help that girl or boy on the front line because we don’t have enough staff or money.”

**Margaret Mitchell:** You have identified an important factor in communication. In any organisation, success depends on how good the lines of communication are.

You have identified that there can be a change to create a culture of buying into benchmarking. Can each of you tell us what you consider to be the biggest challenge in your local authority, and what role you play in trying to persuade officers and other elected members to buy into that process?

**Councillor Guild:** We are in a slightly strange position as an administration. We took over in mid-term in 2009, and, two months later, we had a new chief executive, so we had very little baggage. We more or less had a blank sheet to begin with. With the chief executive, we agreed to set up a changing for the future board and to invite members from all the groups along. However, the other groups boycotted it because they thought that, if they came along to the board to discuss and agree on concepts, despite the fact that the board had no decision-making powers, they would somehow be dragged into our decisions. They thought that, if those concepts proved to be wrong, they would be tarred with the same brush. That is the in-built attitude that I would most like to change.

**Margaret Mitchell:** Thank you—that is helpful.

11:00

**Councillor Fletcher:** East Renfrewshire Council has not had too many problems with getting people to buy into the agenda of continuous improvement or with people failing to understand why the council needs to perform well. We do not have huge numbers of staff leaving and there seem to be a fair number of people who would like to work for the council. To me, that suggests that the overall ethos is right and positive.

When I speak to members of the political opposition, my line is always that I do not mind them criticising the council or me. If we are getting something wrong, by all means, they can give us a kick, but they should not just criticise the council as an organisation and look for failure, and they should not say anything publicly that would denigrate the council as an organisation. All that should be kept at a political level.

If other members do not think that we are running things properly politically, by all means they should have a go, but they should not go on to websites and all the rest of it just to run down the council. That is about a wider approach to the council. I hope that every councillor in East Renfrewshire, of any party or of none—we have independent councillors—feels pride in the council and wants it to be successful.

I was the first Labour councillor to be elected to the old Eastwood District Council. At that point, it was in effect 100 per cent Conservative run, but

that did not mean that I did not have pride in it. That is the overarching message that we need to get across.

**Councillor McIntosh:** Jim Fletcher is right about having pride in the council. That goes back to the point that I made about front-line staff wanting to deliver good services. Selling benchmarking to elected members is no bother, because on a daily basis we are already hypercritical of just about everything that we do, to the point of silliness at times. That is the nature of the beast. Even members of my political group, which is the largest in my council, criticise some of the stuff that we do. That criticism probably gets louder outwith my political group and, when it gets to our scrutiny panels, they are ready to tear the whole thing apart, which is right and proper. I see no problem with getting buy-in for benchmarking as another useful tool.

On how we sell that tool, as one of the committee members said, it is pointless simply to say to staff, “Here’s another tool, called benchmarking.” We need to consider how we relate to front-line staff. If benchmarking shows that we are in the middle when we want to be near the top—although not necessarily at the top—we need to think about how we do that. The message has to go down from the political level to management and all the way down to front-line staff, who can then make a contribution, perhaps by saying, “I think we could help by doing this, that or the other.” We might need to say that we have to look at working practices and change how we do things.

I have no problem at all with the ability to get buy-in for benchmarking. It will enable us to have the pride that Jim Fletcher talked about and that we all feel in our councils.

**Stewart Stevenson:** I want to explore the 47 or so indicators—the number depends on how we count them. A proportion of them measure inputs, while a somewhat larger proportion seek to identify outcomes. To what extent are you satisfied that SOLACE has come up with a set of input measures that will help you to identify whether you are making the longer-distance journeys to the outcomes that you seek? Were you involved in the process of coming up with those measures? Generally, how useful will the list be? Of course, it is not your list, but one that has been provided to you.

**Councillor McIntosh:** To take an example, I suppose that geography comes into “Cost per Visit to Libraries”. I have picked up on indicators that are particularly relevant to my council, one of which is “Percentage of Rent Due in the Year that was Lost Due to Voids”. That is an issue, and we are improving on that.

Another interesting indicator is “Percentage of Repairs Completed within Target Times”. We have a target of responding to every housing repair within four hours. That is wonderful, but is it too wonderful? People cannot get a plumber or a joiner, for example, when they want one, and they are lucky if one turns up on the day when they said that they would come. Out there in the real world, people have to wait perhaps a day for such people; if they are lucky, they will get somebody in an emergency.

Should we look at that target? We might not be doing as well in meeting the four-hour target as people who have a target of responding within 24 hours are. That needs to be thought about. When the figures come in, we might decide that we still want to stick to the four hours and that doing so will be okay, but that might leave us in a place with the benchmarking at which the committee thought that we were not doing as well as others. That is where the local position comes in.

Overall, having looked at the suite of indicators, I think that we need to suck it and see. It might need to be tweaked as we put it into operation. Even after two years, we cannot put our hand on our heart and say that it is right, but it seems to target the right areas.

**Councillor Guild:** I am largely happy with the points that have been made. The work was done through SOLACE, and COSLA leaders discussed it. The leaders of the various councils had the opportunity to make an input if they did not like what was there.

The important thing is that the process is outcome led. The outcomes are all-important. As I mentioned in my opening remarks, one size does not fit all. There is a tremendous range of structures in Scotland’s local authorities. For example, we have a director of education. We thought that having such a post was the best approach, but other councils have a director of children’s services, which include education and aspects of social work, and they arrive at outcomes by different routes.

The important thing is that the outcome is achievable and works. Benchmarking enables people to work out whether councils are producing the services that they are required to produce at an acceptable level; it is not about how councils go about producing services. That is probably the correct approach.

**Councillor Fletcher:** I broadly agree. As I said earlier, we had too many performance indicators to manage them properly. Good work has been done to distil them down to 47—or whatever the figure is—and I have not heard anybody in my council or other councils in COSLA saying that they are wide of the mark. The people who

produced them, largely driven by SOLACE, are wise individuals who know their business, and the indicators are robust.

We need to remember that the one fallback is that councillors are close to their communities. Those of you who have been councillors will be alive to that—you probably still have the scars from going to meetings of community groups, community councils, tenants associations, residents associations and suchlike. If there is anything wrong in the community, councillors are the first port of call for people to complain to. They are alive to what is going on in their area, and they pick it up quickly. Therefore, if a councillor felt that something was wrong and was not being picked up by an indicator, they would know about it right away.

**The Convener:** I have to say that, as MSPs, we, too, get scars.

**John Pentland:** Jim Fletcher has mentioned performance indicators a number of times. Obviously, the eye will automatically go to where a council is performing least well. My question is probably for all of you. If an indicator shows underperformance, do you take that seriously, or do you take into account the unit price or affordability of improving on the indicator before you take action?

**Councillor Fletcher:** We absolutely take that seriously. If there is criticism of the performance indicator, you are right that we need to find out whether the criticism is valid. If the criticism is valid, we need to do something about it, and that is the catalyst for putting up our hand and saying, “Yes, this needs to improve and we will do it better.”

Not every council gets everything right. It is impossible to be the best council in Scotland at everything. All councils do some things well and other things less well. When we do things less well, we need to put up our hand, learn from the situation and go out and look at best practice in other councils to learn from that and improve.

**Councillor McIntosh:** I agree. No council wants to perform poorly in anything, so any negative performance indicator will be looked at. I go through all the screeds of papers that come in and I circle numerous ones that I then discuss at my next meeting with the chief exec. He has his response, and that will filter down.

As I said, the indicators also go to scrutiny panels. Individual councillors want all indicators to move from negative to positive territory. That is not always possible—there may be good reasons why that cannot happen—but where it is possible, let us do it. I am sure that I speak for all three witnesses when I say that in each council there is

the political will to improve on any negative indicators.

**Councillor Guild:** Absolutely. If a council is performing poorly, that has an adverse effect on the morale not just of the voters but of the council's elected members and employees. It is in everyone's interests to continue to try to improve performance.

All our departmental reports and plans list performance indicators and, when performance is below par, there is an explanation to contextualise that. Elected members are then free to question the relevant senior officers at committee. The performance indicators are taken seriously and are used as part of the day-to-day running of the council.

I will give an example of liaising with other councils and improving ideas. On Monday, a team of our senior officers spent the day in Renfrew to get ideas from the people in Renfrewshire and give them ideas from what we are doing. That is part of a series of visits. Obviously, we liaise closely with our neighbouring councils—we have partnership working with them on a number of areas—but we also look at whether we can learn from other councils and perhaps give them pointers as well. We have very much bought into the idea of improving service right across the country.

**Stewart Stevenson:** I absolutely agree with Jim Fletcher: like many other MSPs, if I want to know what is going on in a community, I first call the councillor to find that out.

Would the panel care to comment on the following? I get the slight impression that, to varying degrees, each of you sees benchmarking as an add-on to your existing internal measures of how you are doing. I expect that every council looks at what it does, measures and counts activity and responds to indicators—Bill McIntosh said that he highlights things on reports. However, is benchmarking not something different?

Surely benchmarking is a tool to enable you to identify opportunities to improve that others are showing you, rather than another way of measuring what you are doing internally. In those terms, is that not a more engaging approach for staff at every level in the council? I have heard some slightly disturbing suggestions that the performance indicators percolate their way down, but I have not heard too much about things percolating back up. Is benchmarking something different from what we have heard described?

**Councillor Fletcher:** In East Renfrewshire, we have used benchmarking as a tool to drive performance. For example, in education, East Renfrewshire Council did not perform particularly well in mathematics or modern languages when it

was set up. We looked at that and at how to drive up performance.

As a council, we are grouped by Education Scotland in a banding that includes similar councils in Scotland, such as Midlothian, East Lothian, Stirling, Aberdeenshire and East Dunbartonshire. As the benchmarks showed East Dunbartonshire Council doing particularly well in mathematics, we asked the obvious question: why does East Dunbartonshire outperform East Renfrewshire? Quietly, officers and principal teachers of mathematics went out there to have a frank discussion with people in mathematics departments in East Dunbartonshire in order to learn what people in that authority were doing that was different from and better than what was being done in our authority. I honestly think that the benchmarking is used as a way to drive performance.

11:15

**Stewart Stevenson:** Would I be right in characterising benchmarking, in your council at least, as a positive encouragement to improve rather than a negative comment on performance?

**Councillor Fletcher:** Absolutely. It is important not to demonise an area that is performing less well—

**Stewart Stevenson:** Those situations are opportunities for improvement.

**Councillor Fletcher:** Absolutely, yes.

**Councillor Guild:** As I think I mentioned, we see the approach as a means of embedding benchmarking into the process. Rather than relying on external assessments, we see that as part of the day-to-day working of the council.

On best practice and the willingness to compare with others, I will go back to Monday's visit. One reason why our officers visited Renfrew was that, like Dundee City Council, Renfrewshire Council has recently moved out of a tower block and into new council headquarters. Both councils have taken the opportunity to open a one-stop shop where the public can get immediate access to officers. I think that a lot was learned by comparing what happens there.

Instead of the rather depressing waiting rooms that we used to have in various buildings throughout the city, we now have a large and airy open area where there are floor walkers to meet those who are there for the first time and do not know their way round. People are directed to the appropriate desk and to the appropriate people who can help them. We have had positive feedback on that. From what I have heard from the officers, Renfrewshire has been doing much the same. What we are doing is comparing and

reinforcing by looking at ways of improving the front-line service that impacts on the public directly.

**Councillor McIntosh:** In a way, I think that benchmarking is a useful add-on, but in South Ayrshire we have had a form of benchmarking for a number of years. When we took over the council in 2007, it had a history of neglect and mismanagement which, coincidentally, had been identified by Audit Scotland in a less than rosy best-value report at that time.

We had to work closely with Audit Scotland and we still do, but that was and remains useful because, even before the benchmarking comes in, Audit Scotland has the national picture that we do not have. It can say, "Look—we see that your overall property costs are X per cent, whereas the norm for your comparator councils is Y per cent."

The proposals are the sort of thing that I was expecting to see anyway, because we have been used to working in such an environment. We take them as a positive add-on—"add-on" may sound flippant, but it is not in any way flippant—and as a valuable add-on to the tools that we have. We look at the indicators, but I do not think that I and my council would necessarily say, "Right—we must aim to be the top in all of those." For a start, we might well not have the financial resources to do that, as financial resources are and will be an ever-increasing challenge.

We need to decide what is best for the people in our area. That is the political decision that will be made. We will prioritise and allocate our funding accordingly, within the parameters of the national agenda. However, I see benchmarking as an add-on—someone referred to it as a can-opener. For example, if there are any problems, we drill down to assess why, then decide whether we are comfortable with the situation or whether we want to do anything about it. If we want to do something about it, we act accordingly.

**Anne McTaggart:** Good morning, panel. I have a question about community planning partnerships. If you listened to the earlier witnesses, you will know that they had good advice in that regard. What are the challenges in applying the benchmarking approach to community planning partnerships, particularly with regard to contributing to outcome delivery?

**Councillor Guild:** We take community planning partnerships very seriously indeed. We have the Dundee partnership, which I chair and which involves the various local government departments, the police, the fire service, the two universities, the local college and a number of charities and community organisations. We also have a local community planning partnership in each of the eight wards in the city, each of which

is chaired by a member of the senior management team.

We get feedback from the grass-roots level and, because each community planning partnership is chaired by a member of the senior management team, that feedback is not lost in the system but fed straight back in to the organisation at senior management level. The ward councillors also attend the local community planning partnerships. We therefore get information from the grass-roots level.

**Councillor Fletcher:** We have approached community planning in a slightly different fashion from other councils. Historically, we had the same sort of meeting that would be familiar to many people—we met quarterly, people exchanged reports, and the police, fire service, enterprise bodies and Strathclyde partnership for transport all turned up. There was a tick in the box, and that was the community planning partnership.

More recently, we have tried to embed community planning partnership work in people's jobs, almost as part of their job description. It is very much done at officer level so that people in their day-to-day jobs or tasks work towards agreed outcomes through the single outcome agreement. Part of that involves dealing with all of our community planning partners. We are trying to interface in that regard on a daily basis, focusing on our single outcome agreement.

The challenge is getting elected members to engage with that work, because a lot of it is not necessarily visible to elected members. We try to have a number of seminars, usually before a full council meeting, with all our community planning partners. We will take a particular topic, such as child poverty or deprivation, invite all our community planning partners to the seminar and, because it is almost a part of a full council meeting, ensure that all our councillors engage with it, too.

In order to deliver the outcomes in the single outcome agreement, therefore, we try to get away from the idea that it is just about having a meeting and instead try to mainline the approach in people's jobs.

**Councillor McIntosh:** The important word in community planning is "community". To be honest, I would say that I am not happy with how we do community planning, but I am assured that we are a lot better at it than I perceive; we are not at the top, but we are doing well, which is fine.

My view of the process is that we run the council and, in parallel, we run community planning. We are waiting for the national guidance on community planning for the new single outcome agreements to be built in next spring. However, as far as I am concerned—I have been saying this for

some time now—community planning will become the day job. It will be not about the council just doing what the council does but about the council integrating its work with community planning. It is about involving not only our partners but communities.

I have been talking to community councils and associations of community councils to put that message across. They will be fundamental to the delivery of services, and we need to ensure that they have the necessary resources. The millions of pounds that we are spending each year will still be spent, but it is not enough to say, “Right, there’s £1 million for you in the community—you go, and I hope you do well.” We need to resource them and ensure that they are up for the task. Otherwise, we will not be defending the public pound in the way that we do at present.

There are challenges in that approach, but it is the community that will make it work. Some communities are probably more up for it than others, and there is no point in empowering a community that is not up for the challenge. The community has to want to be involved; if it does, the approach will work.

As far as I am concerned, the approach is all about the community, but we are working to a tight timeframe in making it work. Local authorities have a lot on the agenda at present, with community planning, welfare reform and the integration of social work and health—a raft of big-ticket items is coming forward. My feeling is that it is probably too early for the benchmarking project to come in for community planning, because it is in a transformation process at present. Let us see how the project works in the first year for councils, and then consider bringing it in for community planning.

We are still working on what community planning will be, and we cannot take it much further until we get the national guidance. When we have that, it will be all systems go to make community planning work, and only when it is working will it be meaningful to say, “Right, let’s benchmark this.” At that time, it will be absolutely correct that we benchmark, because the time we have a new system in place is the ideal time to start assessing it.

**Anne McTaggart:** Bill McIntosh mentioned community councils. In what other ways will you—or do you—encourage community members to become involved?

**Councillor McIntosh:** We have three main groupings of community councils in Ayrshire. We have the rural area in the south, the towns in the middle and the other bits. The groupings have come together naturally through the geography of the area. As well as being our community councils,

they are very much parts of the wider community. In addition, a lot of good stuff is going on in Girvan just now. We have a town team, for example, and there are maybe half a dozen other good organisations. I cannot remember all their names, but there are business associations and so on.

Part of the challenge is that councils are not resourced—nor should they be—to feed out to all those organisations. It might be more effective for councils to identify one main organisation in a locality. In one area it could be the community council, but in another area it could be something else. That organisation will then feed into the council, and the council will feed into it, support it and use it as the main local resource. We might then need to look at how to bring in the other organisations that are doing good work. I do not think that it will work if we try to go out to every organisation, because not all of them will have the necessary resource and I do not think that we will have the resource to resource all of them.

**Anne McTaggart:** As the convener mentioned to the previous panel, we have heard in evidence that community planning partnerships work best when they have the community at their heart and community members are involved.

**Councillor McIntosh:** We have two community members on our community planning board. I have been the council leader for three years, and those members have been on the board since before that time. It is vital for that representation to continue, but I cannot say in what way it will continue, because we are still in the transition period. I will not give an answer just now, because I am still getting my head round it, and we will not be able to get much further forward until we have the guidance. I understand that it is due in a week or so, and it will give us a chance to move forward.

I have put my head on the block. I have been out to all the community organisations and I have said, “You guys will be at the centre of whatever this is going to be.”

**The Convener:** Councillor Guild, do you want to comment?

**Councillor Guild:** Yes. As I mentioned, we have a broad range of community councils and they are very different in character.

In Dundee we have two community councils, which is not unusual in urban councils. It is no coincidence that the two community councils exist in the only two wards that do not have any areas of multiple deprivation. Community councils—certainly in our area—attract a certain type of individual. We have included various tenants groups and self-help groups that operate at grass-roots level that we feel are absolutely necessary to feed into the local community planning partnership process.

Other than in rural areas, community councils seem to work best in small towns or communities that have a strong sense of identity, which is not always the case in urban areas where there is big population drift and high population turnover. For that reason, we invite the community councils along and they take part. In urban settings, there are perhaps other community groups that have more of an input into the planning partnership.

11:30

**Councillor Fletcher:** I do not necessarily agree with Ken Guild's experience of community councils—we cover an urban area and there are two community councils in my ward, let alone the whole council.

We sometimes receive complaints from community councils that they are not fully engaged with on the community planning process. For example, we have high levels of graduate unemployment—there are a lot of people who come out of schools with good qualifications and get a degree but cannot get a job. The council has an interns scheme to take on some of those people for three to six months, whom we pay the minimum wage. We do packets of work that are not part of the day-to-day work of the council. In other words, the work is in areas where we are looking for added value. The trade unions are happy with that approach.

Giffnock community council, which happens to be in my ward, is a very active council that was critical of its inability to affect the outcome of community planning. One idea was to get an intern to do a piece of work for the community council to find out how that group of individuals can engage more meaningfully. There is a willingness by councils to engage, but a lot of communities are floundering about, not knowing how they can influence the process.

**Anne McTaggart:** In asking this question, my intention is not to knock community councils. How have the three councillors encouraged other community members to become involved in the benchmarking process and community planning partnerships? I do not need to hear a response today; perhaps the councillors could write in with that information.

**The Convener:** If the witnesses can provide brief oral answers, they should feel free to do so. If not, it would be useful if they could provide that information in writing to the committee.

**Councillor Guild:** Are you asking for us to provide information on how we approach a wide range of community groups?

**The Convener:** The committee, as part of its investigations into benchmarking and community

planning, is interested in finding out which community organisations and bodies are represented on community planning partnerships. That information would be useful.

**Councillor Guild:** That is fine.

**Stuart McMillan:** Good morning, gentlemen. I have a hypothetical question about the suite of indicators that will probably not be easy to answer. On the back page of COSLA's submission, indicator HSN1 covers current tenants' arrears as a percentage of net rent due. With events that are outwith local authorities' control, I imagine that activities related to welfare reform—which Councillor McIntosh touched on earlier—will affect some of the proposed indicators and HSN1 in particular. What can you and the rest of the 32 local authorities do to get across the message that the negative impacts are not of your making but are a result of something that has happened elsewhere?

**The Convener:** Gentlemen, I do not want us to stray too much into the issue of welfare reform, but what will happen with the benchmarking figures because of the changes?

**Councillor McIntosh:** Welfare reform is just something that we have to handle, whether the changes come from Edinburgh or London. Once a decision is made at a higher political level, we are there to implement it and make the policy work. We can spend all day criticising something or not criticising something, but that is irrelevant. The reality is—

**The Convener:** I do not want to spend any time whatsoever in criticism. I would love to sit here all day and criticise the Westminster Government for its welfare reform policies, but that is not what we are here for today.

**Councillor McIntosh:** That is exactly right. What I am saying is that we are here to implement the policy and we have to do so as best we can. One example of the welfare reform proposals is that, if a tenant is deemed to be in accommodation that is too big for their needs, their housing benefit can be reduced. We are anticipating that the knock-on effect of that—

**The Convener:** I will stop you there, as you are straying into issues around welfare reform. We are here to talk about benchmarking. Welfare reform will have an impact on the statistics, but I do not want to get into all of the ins and outs of welfare reform today. I ask you to concentrate on the statistics and the effects on them.

**Councillor McIntosh:** I was trying to illustrate a point, but I take on board what you say.

We expect that the statistics will change as people's circumstances alter. I expect that, if mine go down, those of the two gentlemen beside me

will go down as well. It might be a level playing field or it might not be, depending on the individual circumstances.

We will assess the situation and monitor it. As I said earlier, benchmarking should always tell me what I already know and confirm it using a comparator indicator. We should already know that we are getting better at something or, because of legislation, getting worse at something. That does not really matter—the changing trend will be reflected. What is important is what we have done in the meantime to analyse, plan and handle things.

**Stuart McMillan:** What are you doing to plan for things?

**The Convener:** I am sorry, but we are not going down that path today, because it involves the issue of welfare reform, which another committee of the Parliament is considering. We are here to discuss benchmarking. There will be other opportunities for this committee to discuss the impact of welfare reform on local government.

**Councillor Fletcher:** Of course, welfare reform will have a drastic effect on councils, on our performance and on the figures that you will no doubt be considering over the next few years as part of the benchmarking process.

As part of our budget deliberations, our approach as a council is to work out what we need to put into our customer first and money advice services and how much we need to give to our citizens advice bureaux partners to deal with the impact of welfare reform. The reform will have a major impact on our budget.

The Scottish Government uses some clever language—which I have objected to at COSLA meetings, so my views are no secret—about there being a “shared problem”. In John Swinney’s letter to councils, there is clearly an expectation that councils should contribute from their budget to the social fund, but we do not have the money for that. I feel that this—

**The Convener:** Again we are straying into the realm of welfare reform, and I do not want to stray any further. The counter-argument to your point is that the Scottish Government does not have the money to mitigate the impact of welfare reform, but I do not want to get into those issues today. We are here to deal with benchmarking. Please stick to the subject, as our time is limited.

**Councillor Fletcher:** I understand that, but I am trying to make the point that there are financial pressures on councils now and that the administrations—in our council we have a Labour-SNP administration—will have to sit down and decide whether they are going to use some of their budget to mitigate the effects of welfare reform.

**The Convener:** Okay. I am trying to stick to benchmarking. I could sit here for hours and talk about welfare reform—I am a member of the Welfare Reform Committee—but I do not want to do that today because we are here for a specific purpose.

**Councillor Guild:** All our figures will look a lot poorer as the reform kicks in. I go back to the point that I made right at the beginning, which is that the raw statistics may not mean a thing and that they must be set in context.

There are other indicators—for example, the percentage of rent that is due in the year that is lost due to voids, which is a problem that our council inherited. We had one of the worst voids records in the country as well as one of the worst re-let records, but we latched on to that right away and have spent the past few years addressing it. As a result, our voids figure is less than half of what it was and our re-let system has been completely revamped.

Giving three-strikes-and-you-are-out choices to new tenants when the housing stock had not been repaired or brought up to standard for re-let was not the way to do it, so we completely revamped our re-let and voids policies. We can do something about that sort of thing, and the statistics on it will mean something, unlike apparently similar statistics for things that are beyond our control.

**Stewart Stevenson:** I think that we are talking about the numbers and not about benchmarking. If everybody goes down equally, the relativities remain unchanged, whereas benchmarking is about using the opportunities—even on the way down, if that is the way things are going—to say that somebody else is handling something better and that we can learn from them. Is that the approach that you are going to take? As Ken Guild said that, generically, everybody is going down together, perhaps he can respond.

**Councillor Guild:** I did make the point that everyone is going down together. Is that a reflection on the councils or on some other place? We are not talking just about figures. At the risk of straying—I am sure that the convener will tell me if I am—I suggest that we are going to have lots of additional voids due to unpaid rent because of people’s personal problems rather than because of how the council looks.

**The Convener:** I do not want us to stray into that, as we will get into the same position as earlier. Stewart, do you want to repeat your question? We need to get to grips with that point.

**Stewart Stevenson:** I was making the point that benchmarking is a neutral tool that works whether everybody is improving or deteriorating. I hope that you will all view it as something that reveals to

you opportunities to improve in a relative sense. It would be useful to hear your comments on that.

**The Convener:** Bill McIntosh is dying to comment on that.

**Councillor McIntosh:** Yes. I am just thinking about what I can say without being red carded. I am in South Ayrshire, and North Ayrshire is just up the road. The housing side of the welfare reform will impact significantly on South Ayrshire Council but the impact on North Ayrshire Council will be non-existent. That makes for a less-than-level playing field.

**Stewart Stevenson:** But will benchmarking help you to pick up from what you deem comparable councils opportunities to better mitigate the effects of a difficult circumstance? That is the fundamental question in what we are discussing today, which is benchmarking.

**Councillor McIntosh:** Yes. I have identified housing as an issue that my council has to address. Benchmarking—when it is introduced in due course—should confirm where I think my council is on that particular issue and will give an indication of where it is compared with other councils. Because of a particular issue, I might expect my council to score lower than North Ayrshire Council in relation to housing, but that might be acceptable for reasons that I will not mention.

**Stewart Stevenson:** I am sorry to press the point, but what I really want to hear—I may not hear it; you may say that I am off the mark—is that you see benchmarking as helping you to find the answer outside the boundaries of your own talent, expertise, experience and numbers. If benchmarking does not do that, I am not sure that it has a huge purpose.

**The Convener:** We may fail if it does not do that.

11:45

**Councillor McIntosh:** I cannot answer that just now. It will be an interesting issue to watch. I do not think that we can assume that benchmarking will give the answer; I would need to wait and see.

**Stewart Stevenson:** There seems to be a thread running through your evidence that suggests that you are one of the benchmarking sceptics. I think that that is the essence of what you are saying.

**Councillor McIntosh:** No, that is contrary to what I have said on a number of occasions today. I started off by saying that I welcome benchmarking and see it as a useful add-on. I see benchmarking as providing confirmation—hopefully, if I am doing my job right—that my

council is mid-range rather than up at the top or down at the bottom. I am sorry if, for some reason, all those positive comments have come out as a negative reaction to benchmarking, because that is not my position.

**Stewart Stevenson:** No, I am just—

**The Convener:** I think that we should move on.

**Stewart Stevenson:** I will leave it there.

**The Convener:** Do any of the other gentlemen want to comment on what Mr Stevenson has said?

**Councillor Fletcher:** My only comment is that different councils will be affected in different ways. I suspect that the impact in East Renfrewshire of the housing benefit changes might be more akin to the impact in areas of the south-east of England, where there are higher house prices, whereas in areas such as Dundee there might be more of an impact on social housing. We need to learn from elsewhere. I do not think that any of us would not use benchmarking to learn from good practice.

**Councillor Guild:** I agree. I do not know exactly what role benchmarking would play here. I think that, in his couching of the original question, Mr McMillan said that many of the changes will be beyond the control of the councils. As Jim Fletcher has just said, a lot will depend on the percentage of residents in a particular council area who are already on low pay or social benefits. I think that that will have as much impact on the figures as anything that a council does to try to allay the situation.

**The Convener:** I call Margaret Mitchell—very briefly, please.

**Margaret Mitchell:** I think that the point that the committee is trying to get over is that, regardless of where the pressures have come from, benchmarking will allow you to look at the data and realise that your council might have a problem. Can you use the benchmarking information from throughout Scotland to identify other councils that seem to be addressing the issue and use that as an opportunity to learn and get some answers to the problem?

**The Convener:** Can we have very brief answers—a yes or a no, if possible?

**Councillor Guild:** I think that it is a hypothetical question.

**Councillor Fletcher:** Yes, we would use benchmarking, but it is new. Everyone is on a learning curve. Of course we would look to learn from best practice elsewhere.

**Councillor McIntosh:** Absolutely.

**John Wilson:** Good morning, panel. I have a brief question.

Paragraph 8 of the COSLA report that we received as part of the evidence for today's session says that SOLACE pulled together a suite of benchmarking indicators during 2010-11, which was agreed in August 2011. It was then put to the directors of finance of local authorities to consider between February and May of this year, and they said that it looked fine.

Have the chief executives or the directors of finance made any approach to say that they need additional staffing resources to be able to pull together the information that is required for the benchmarking suite? Have local authorities discussed the preparation and presentation of the information on outcomes? The information for the benchmarking suite will not be produced without additional resources having to be put in. Has that been discussed among the council leaders, chief executives and directors of finance?

**Councillor Guild:** We have certainly been discussing it for quite some time in Dundee and the answer to your question is no, the officers are not putting forward any extra staff or even suggesting as much, because the approach is already embedded in what they are doing. As I have said, we have had extra costs as a result of the external assessments, because we had to divert staff from their normal duties. Preparing the information for benchmarking is built in or embedded in the jobs that they are already doing.

**Councillor Fletcher:** I agree. We have always looked at our 50 or so performance indicators, and I have certainly not been asked for any additional resources to deal with the new approach to them. This is simply part and parcel of what councils do, and I expect officers to prepare the information properly for the relevant committee, cabinet or whatever.

**Councillor McIntosh:** My answer is the same. The work is already incorporated into what we do.

**The Convener:** Will the reduction in the number of indicators compared with what you had in the past not save your officers some time and money? Do you expect whichever audit body it might be to take account of the new suite of indicators in future audits?

**Councillor Guild:** I certainly hope so.

**Councillor Fletcher:** We used to have a thick raft of papers, and I think that we will now save a forest's worth.

**Councillor McIntosh:** The answer to your first question is yes, and I certainly think that the audit bodies will use the indicators.

**John Pentland:** As the previous panel pointed out, the benchmarking will be publicised, which might lead to league tables and the identification of the worst-performing councils. Could the

process be better managed and should other organisations provide some support on how best to approach the matter?

**Councillor McIntosh:** I see no particular need for external support. We all get bad press, but that is part of the job. What we need to do is to put out good news stories throughout the year on the good things that are happening, if for no other reason than to allow our own staff to read about them. After all, they need to know that we appreciate what they are doing, and we need the local communities to appreciate what is being done.

When benchmarking or any other audit report comes out, people will home in on negativity. The up, down and sideways arrows mentioned earlier might help folks a bit but, as I have said, I see no particular need for external assistance at this stage.

**Councillor Fletcher:** If an organisation wants that kind of support, that is fine. There have been occasions when councils have had very poor best-value audits and a team of experts—for want of a better term—largely led by COSLA has gone in to help.

These things have serious ramifications. If a council finds itself at the bottom of a league table for fair reasons, it will need to take that on the chin and get together a plan of action to address the situation quickly. If it needs help from outside, it should not be too proud to accept it. You have to take help from wherever you can to turn things around.

**Councillor Guild:** Every council's immediate fear was that benchmarking would be used as an excuse either by the press or by Government organisations on either side of the border for compiling league tables, but we have been assured that the matter has been considered right from the start and that, for example, this committee is determined to avoid such a situation where possible.

Of course, that question brings us back to the point that raw statistics have to come with explanations and context; indeed, all three of us have at some stage this morning tried to put statistics into a relevant context. The important thing is to get out to the public what is happening in our council and what, if anything, we are doing about it. Benchmarking is not a one-off event but part of a process.

**The Convener:** I think that you are giving this committee much more power than it actually has. No matter what, league tables will be inevitable.

**Councillor Guild:** The power of wishful thinking, perhaps.

**The Convener:** I thank the witnesses for their time and I suspend the meeting for a changeover of witnesses.

11:54

*Meeting suspended.*

11:59

*On resuming—*

**The Convener:** Our final witness is Mark McAteer, director of governance and performance management at the Improvement Service. Do you wish to make an opening statement, Mark?

**Mark McAteer (Improvement Service):** I just want to thank the committee for inviting me to come and talk again about benchmarking. It is much appreciated. I also want to pass on apologies from David Martin and Ronnie Hinds of SOLACE, who tried to rearrange their diaries to be here but had commitments that they could not get out of.

Finally, I hope that, as the third item on the menu, I do not end up as the pudding course. I suppose that time will tell.

**Stewart Stevenson:** I will ask the same questions that I asked the other witnesses about inputs and outputs. To what extent have the input measures, which are short term and help us to understand progress towards long-term outputs, been appropriately selected and evidenced as being good in that respect?

**Mark McAteer:** We carried out a significant amount of consultation with local authorities, professional associations and audit and inspection bodies on the indicators that we have adopted in the suite and we are confident that, collectively, they tell us the direction of travel towards broad outcomes.

In the suite, we have tried to cover cost information, which is an important dimension; performance information about the service—for example, how well a bin collection service is performing; and customer satisfaction and people's perception of the service. If you bring all that data together as a totality and read it, you find that they become not outcomes but good proxies for outcomes.

We will continue to improve those indicators. If better ones exist, we will happily adopt them as long as they meet SOLACE's criterion that they can be used for all 32 councils without the need to create new data. We are reasonably confident that we have got things right at this stage, but we will improve the process as we go on and work with organisations such as Audit Scotland and other inspection bodies on that journey.

**Stewart Stevenson:** In my earlier questions, I referred to the process of normalisation to extract from measures that are taken by different councils and in different contexts similarities and things that one might validly compare. How much support are you giving to councils in that respect? Are you satisfied that there is a proper normalisation process to allow that to be done and to ensure that councils can see good practice that they might bring into their own practice?

**Mark McAteer:** A key principle from the outset was that we would not invent new data but work with data that was already part of the public sector and which, as it had already gone through a degree of what you describe as normalisation, we were reasonably confident was good. However, as we have worked with some of that data, it has become clear that it was never designed for benchmarking purposes. For example, local financial returns are a useful data source—indeed, they form our best data source for comparative cost information for councils—but they are by no means perfect for benchmarking purposes.

As a result, over the year, we have been working with directors of finance to improve the data source on that basis. For example, different councils have traditionally accounted for support services in different ways, some of which reflect their structures and some of which are a result of historical accountancy practice in the authorities. This year, however, we have worked with directors of finance on producing a guide to better standardise that element of the financial data and ensure that it is accounted for more evenly across all 32 councils, and I am happy to say that, as we go forward into the 2011-12 data, Scottish Government colleagues have built that guidance into the local financial returns. As a result, the financial data that we are getting from councils this year has that element built in, which makes it much more robust and comparative.

Where we identify weaknesses, we work with partners to plug them, but the vast bulk of the data has already gone through the quality assurance process before we use it to populate our indicators. As I said, if we find from colleagues elsewhere weaknesses in the data source, we will plug the gap and ensure that the process is fit for service.

**Stewart Stevenson:** I should say that normalisation is not my term; it is broadly used, particularly by financial analysts.

**Mark McAteer:** It is a fairly standard term.

**Stewart Stevenson:** My wife had a seven-dimensional mathematical model for all of this, but that is perhaps for another time.

One omission from the list is procurement, which I do not see anywhere. Can you give me

any insight on that? Perhaps it would come under corporate services, or possibly elsewhere.

**Mark McAteer:** We started off working with SOLACE, and the agreement was on what it called big-ticket issues—the major spend areas of councils. Procurement is a big-spend area, but work on that was already under way through Scotland Excel.

There is a gap in the framework when it comes to two other areas. One is economic development, which is a low-spend service but is strategically important for councils—

**Stewart Stevenson:** It is a service with small inputs but big outputs.

**Mark McAteer:** Yes—it has a big impact. We have agreed with SOLACE that, once we get through this year, those gaps will be plugged, so we will see something on procurement, some indicators on economic development and some on a couple of other areas. Planning is another area on which we need more indicators.

**Stewart Stevenson:** Do you have a quick answer as to roughly what proportion of council expenditure in Scotland goes through a procurement process?

**Mark McAteer:** It would be a back-of-a-fag-packet calculation.

**Stewart Stevenson:** If you do not—

**Mark McAteer:** It would be somewhere between 35 and 40 per cent.

**Stewart Stevenson:** So it is quite a big omission.

**Mark McAteer:** It is a big area but, as I said, when we started, work on procurement was already under way through Scotland Excel, working as the collective procurement agency for Scotland. We have said that we will wait until it has completed that work and then we can build on to the framework.

**Stewart Stevenson:** I understand that, but quis custodiet ipsos custodes? Who is Scotland Excel benchmarking against?

**Mark McAteer:** It is the collective procurement agency for councils—

**Stewart Stevenson:** I understand that.

**Mark McAteer:** So it is working with councils on that, and looking at their collective procurement processes. From that, we can simply adopt what it believes is good practice collectively.

**The Convener:** This line of questioning is extremely important because many councils are not using Scotland Excel to the same extent as others.

**Mark McAteer:** I agree—some councils are not using Scotland Excel to full effect.

**The Convener:** In Mr Stevenson's and my part of the world we are doing things rather differently, with the Aberdeen city and shire joint procurement unit.

**Mark McAteer:** That is fine.

**The Convener:** The issue needs to be looked at seriously.

**Stuart McMillan:** Mr McAteer, you spoke about some of the indicators that exist. We heard earlier that they are not set in stone and that they might change. Do you anticipate that the suite of indicators will increase dramatically so that it is seen not so much as an add-on, as some earlier panellists described it, but as the key element of performance indicators within local authorities?

**Mark McAteer:** As was mentioned earlier, the key purpose behind the set of indicators is that they are can-openers—they are strategic-level indicators. We do not anticipate a massive growth in the number of indicators. We have just talked about some additions that need to be built in, but we might see some of the current indicators drop off over time and others replace them. We do not envisage that hundreds of new strategic-level indicators will come into the framework.

Beneath that, however, a series of drill-down activities will be required in order to explain some of the variations between councils that those indicators will highlight. Again, a useful piece of work can be done there to try to standardise some of the indicators more so that there is a golden thread running from the top to the bottom through the performance area.

In this particular set of indicators, there will not be a massive increase, but there will be work on other sets of indicators to help to rationalise them, pull them together and make things more coherent across the piece.

**Stuart McMillan:** How developed is that other piece of work?

**Mark McAteer:** We are doing some work with some of the agencies at present. As regards economic development, for example, we are doing some work with the Scottish local authorities economic development group to look at a raft of indicators that it produced last year. Again, that will help to streamline some of the indicators. That information is much more at a management level, but it will still be important. It is necessary to drill down into the indicators to explain why councils are performing differently.

That is one example, but there are others. There will be dialogue with some of the inspection bodies as well, because they are also custodians of a lot

of data and the information that is necessary at that level. It is a big task for all of us. The note that the Scottish Government gave the committee for today's meeting mentions a group called the improving evidence and data group, and one of the tasks that we have identified that that group should take forward is to co-ordinate such work and pull it together.

**John Wilson:** I seek clarification on who is driving the agenda. I heard you say that the Improvement Service is working with SOLACE and you talked about "we". Who is the "we"?

**Mark McAteer:** It is local government.

**John Wilson:** I am sorry, Mr McAteer, but I would like clarification of that. You said, "We are doing work with other agencies and SLAED", "We are in discussions with directors of finance", "We want to see procurement on the list" and "We are working towards increasing the list of benchmarking indicators". I am curious about who the "we" is and whether the agenda is being driven by the Improvement Service, SOLACE or—as you just said—local government. If it is being driven by local government, who is that? There seems to be a range of organisations on the periphery with the Improvement Service in the middle.

**Mark McAteer:** We were asked by SOLACE—the chief executives association for the 32 local authorities in Scotland—to support it in that work. In effect, we are the day-to-day project managers, for want of a better term.

What I mean by "we" is that SOLACE, the Improvement Service and COSLA collectively are the driving force, with the 32 councils. We work with the professional associations, directors of education, directors of social work, SLAED directors and so on in terms of economic development, to help us to strengthen and improve the framework and—I am afraid that this has been mentioned several times this morning—help them to take ownership so that they can be part of the framework. They are the people who will have to use it to drive performance. It is a genuinely collective local government effort. The "we" is all of us together; the operational, day-to-day part has, to date, been predominately the work of the Improvement Service.

**John Wilson:** I sought that clarification because COSLA's submission does not give any indication that it was involved in the initial discussions on the benchmarking indices. It states that SOLACE worked on them and that they then went to the directors of finance before they went to COSLA. If there is a collective approach to benchmarking, at what stage do the various organisations become engaged in the discussions?

In response to my earlier question, you said that all those organisations are coming together to

develop the benchmarking suite, but that is not what is stated in COSLA's submission. It would be useful to get clarification of the stages at which the various organisations get involved. You said that the Improvement Service was contacted by SOLACE. I am trying to get an idea of who is driving the agenda, who is setting the agenda and what agenda we are working to.

**Mark McAteer:** I will take your last point first. It is an improvement agenda about how local government can better use comparative performance data to help councils to drive their own improvement. That is where it started. SOLACE, being merely the representative of the chief executives, asked us—because we are the local authorities' improvement agency—to support it in that activity, which we have done.

Throughout each stage—as was indicated in papers that were previously circulated to the committee, which I can copy to you if you wish—we worked with each of the major service areas, directors of education, directors of finance and others to ask whether the indicators were right for those sectors. That was done with their assent and we used them as part of the framework. SOLACE is simply the voice of the councils at the corporate level, if you like. It is there to help to co-ordinate the various parts of the councils and the services and associations that underpin them, and it is there to work with politicians.

COSLA has been briefed throughout the project, but the exercise is largely technical at this stage and it is being driven by managers to get the right kind of information, data and indicators. Therefore, the bulk of the work has been undertaken at the official level of the organisations.

**John Wilson:** A number of other questions arise from that, but I will leave them for another day.

**Stewart Stevenson:** I have just heard the work put in the context of being an "improvement" process. I would not wish to disagree with that. However, in a territory where a lot of improvement processes and so on are already embedded, what makes benchmarking distinctively different and what does it add? If you haven't worked out where I am coming from by hearing my previous questions, I will follow up with a further question.

**Mark McAteer:** I am sure that you will.

The purpose of the benchmarking framework is to get a comparative dimension to performance across the 32 councils and find out where we all stand relative to one another in relation to common indicators. From that—which I think is the point that you were trying to establish earlier—the aim is to identify good practice. Whether we are on a rising tide or a falling tide, the aim is to identify who is performing best and why, and whether

there are factors from which the rest of us or other organisations can learn.

The whole point of the exercise is to get a shared understanding of where good practice lies and to help people to embed that practice in their own services and organisations. At the end of the day, that is what it is all about.

12:15

**Stewart Stevenson:** Right. So it will enable councils to steal other people's good ideas.

**Mark McAteer:** Yes. When I taught at universities, we used to call that plagiarism, but we now call it knowledge management sharing.

**Stewart Stevenson:** In the academic world, people get punished if they copy, but in the business world, people get punished if they do not. The big challenge that I used to have with the graduates whom I used to recruit was getting them to change their mindset.

I return to the point under discussion. The Improvement Service will focus on assisting councils to understand and implement a distinctly different thing. It is not simply another way of comparing performance.

**Mark McAteer:** Indeed.

**Stewart Stevenson:** It is a tool to identify opportunities for positive change, and you will help councils to use it. I will make a personal observation, as opposed to one as a member of the committee. I think that the politicians whom we heard this morning have perhaps not fully got that. They have to varying degrees—I could see them glimpsing it—but they have not cleaved it to their hearts, and you will help them to do that.

**Mark McAteer:** Yes. That is exactly right. Our role will be to support the councils. They will have to drive the improvement, but our role is critical in helping to capture and share learning, and in advising people, including politicians, how they may take that forward.

**Stewart Stevenson:** After thinking about what I have just said, I do not intend to make any comments about officials, as I am not in a position to do that.

**Stuart McMillan:** What timescale has been put in place for benchmarking to become the central point of performance indicators as opposed to being an add-on? We heard about that from the previous panel.

**Mark McAteer:** That drifts into the world of policy, unfortunately. As my organisation does not do policy—we do the implementation once policy has been created—I have to assent to the line that COSLA took. Our job with councils has been to

make the benchmarking framework and the supporting processes for improvement as strong and robust as we can, which will allow councils to legitimately make the argument with other public bodies about how the broader landscape can shift and change in order to create space to improve the drive forward. That will include discussions with inspection and audit bodies and the Scottish Government. Our role is simply to work on the improvement end. COSLA's role at the political end is to do lobbying activities to create space in order to allow the process to grow and be embedded and strengthened further. I am sorry, but that is not my job.

**Stuart McMillan:** Okay. Are you aware of any discussions on any timescales that have taken place that have involved the various bodies?

**Mark McAteer:** We have certainly been part of the discussion in briefing the Accounts Commission and Audit Scotland, for example, so that they are aware of the project, how it has developed, the stage of development that it is at and so on. The Improvement Service would not be involved in policy discussions about what will happen next to the broader performance frameworks that govern local government. That is not our role.

**John Pentland:** I note from the COSLA paper that the Improvement Service, SOLACE and COSLA are working on a communications strategy. Obviously, part of that will be about managing the media. You heard me ask my previous questions. If the benchmarking data is publicised, that will ultimately lead to a league table that will identify the worst councils. Where are you with your strategy on handling that type of publicity?

**Mark McAteer:** There are two elements to that. One element is to get the data and analyse it. The question is what it starts to tell local government and individual councils collectively. We are currently working on that. The intention is that the public report—for want of a better term—will be published some time in the new year. It should be ready early in the new year. We are waiting for key data from the Scottish Government that will not be published until December so that we can finalise some of the indicators, which is why the report will be published in the new year. There will be contextual explanation information in that report to help the public to understand what the information tells them about their authority, how well it is performing and so on, and some of the background pressures, such as the impact of welfare reform, will have to be captured.

The second element is more about how those messages are communicated through the media, which is how most people will probably get the information. COSLA is leading on a piece of work

looking at media management, if you like, which is about what the core messages should be to help people understand what the information tells them about their council. At the end of the day, this is partly about better public accountability for council performance, so there is a strategy in place. However, COSLA is taking the lead in working with councils on that.

**Margaret Mitchell:** Mr McAteer, good afternoon—it is afternoon now. Having sat through our previous two evidence sessions today with COSLA and the three council leaders, you will know that my questions are on how we achieve ownership of benchmarking in three distinct areas. First, how do we get buy-in from members and from staff, both at the front-line level and at managerial level? Perhaps you can indicate whether that has already begun. Secondly, what are the challenges, given the variations that we have heard clearly exist among local authorities? Thirdly, what role does local authority leadership play, both at officer level and at political level, in ensuring the project's success?

**Mark McAteer:** Taking your last point first, I think that the role of leaders is critical. Both political leaders and senior managers have to show that they value the process and, equally, that they use the process, so that it is not just a lot of work for people with no real gain or pay-off at the end of the day. Commitment from leaders has been very strong from the outset of the project and must be sustained going forward. Leaders must show that they use the process to full effect in order to keep up the momentum among staff within each of the organisations. That is absolutely critical.

A challenge in doing all that will be the other pressures that council staff and services experience. As we heard from the council leaders earlier, that can include the volume of activity that audit and inspection arrangements can take up for many council staff. Supporting those arrangements and supporting your own improvement can be difficult, because there are only so many hours in the day. I think that that will be one of the challenges.

Politically, one line that COSLA has been exploring is: if we in local government can put our own house in order, what are the implications for the broader inspection framework? I am happy to say that we have had a lot of support on that from the inspection and audit bodies, which are equally supportive of our direction of travel. If we can get good data that works for the improvement of council services, other bodies can also use that data for audit and inspection purposes, so there is a common interest there.

However, given the complexity involved, we are talking about turning around metaphorical

supertankers, and that just takes time. The systems need to be built and existing systems need to accommodate the information, and it just takes time to do that. That is probably the biggest challenge, but I think that the commitment from all sides has been pretty strong.

Getting down to individual councils, I think that it is their role to communicate the policy to staff. We have a role in helping councils collectively to work on developing good practice, but councils have to take responsibility on engaging their front-line staff. We have a more direct role working with the 21 councils that use a self-evaluation framework called the public service improvement framework. A key part of the rationale in that improvement framework is how councils engage with staff. We directly support those councils in that regard, so that they have good communication devices both downwards to and upwards from staff. Things are in place across most councils, but really that is their business. Our role is to help to support, to act as broker and to encourage knowledge exchange among councils on good practice. However, it is the councils that really have to do that. I cannot make them improve; they have to want to improve as organisations and services. That has to come from within the service itself.

**Margaret Mitchell:** To reinforce Stewart Stevenson's point, as well as applying pressure to do all this improvement work and get the data out there, do you consider it key that councils understand this as an opportunity?

**Mark McAteer:** Absolutely. Get this right for service improvement purposes and it will help people, but it will also help in dealing with those other pressures that we have talked about.

**Margaret Mitchell:** Does the Improvement Service always make a point of saying that to councils? I did not actually hear that in your response to Stewart Stevenson, although I think that he teased that out in his supplementary questions. I think that that is key.

**Mark McAteer:** Yes, I think that that is key.

**Stewart Stevenson:** This is going to work or fail depending on how front-line staff respond. They will buy into it if there is something in it for them. What is in it for them?

**Mark McAteer:** I have worked with councils in a variety of roles for 20 years or so and I have yet to work with any member of front-line staff who does not turn up to try to do a good job. At the end of the day, the benchmarking process is about helping them to do that. It is about focusing on things that absolutely matter to drive services forward, and my experience is that staff are committed to that. That is where the benchmarking process ties in with them. If you like, it helps to liberate some of their imaginations and effort and

to focus them on ways that can drive services. I am not an expert, but they are experts. My job is to put in place the framework or architecture that enables them to drive performance improvement. That is where benchmarking will help.

**Stewart Stevenson:** So you are saying that the approach will energise front-line staff.

**Mark McAteer:** I genuinely hope so.

**Stewart Stevenson:** Ah—the weasel word in there is “hope”.

**Mark McAteer:** I cannot control that, but that is what I expect and hope to see.

**Stewart Stevenson:** I am not holding you accountable for doing it, because that is the councils’ job; I am asking for professional feedback on whether we are on the right track that will lead to staff on the front line being energised and feeling that they have a contribution to make. Of course, your answer might not apply in all 32 cases; it might apply in only 20 cases.

**Mark McAteer:** I expect that to be the case. If it is not, we will have a serious issue and challenge, because it is a necessary element.

**Stewart Stevenson:** Sorry, but I am going to be persistent. Are we on the right track to do that?

**Mark McAteer:** I would say so. Given that I have been the key architect in much of the process, you would expect me to say that.

**Stewart Stevenson:** Right. You will be held accountable for that at a later date, I am sure.

**Anne McTaggart:** What are the particular challenges of applying the benchmarking approach to community planning partnerships, particularly in relation to the contribution to the delivery of outcomes?

**Mark McAteer:** We need to be clear about a couple of things when we talk about how the work that we have been doing with councils on benchmarking might apply to community planning. Benchmarking is ultimately about services and how they perform but, at present, community planning partnerships do not deliver services. They are co-ordination bodies that allow the key public partners to agree the key outcomes that they then try to reflect in their delivery of services. Therefore, benchmarking applied in that context would be slightly different.

At present, we could use benchmarking with CPPs to consider the outcomes that are being achieved in an area, such as people’s life outcomes. For example, the Scottish Government released data yesterday on health inequalities. We can use that to model down to the local level to find out about different communities in Scotland. In fact, we are working on a piece of software called

viewstat, which we have been piloting with some councils and our broader public partners and which will make that process much easier. I am happy to let the committee have a look at that. The idea is that it does the technical part of bringing together all the data on different parts of Scotland and allows us to go down to the neighbourhood level, if we wish. That is the data zone level, with populations of about 750 people.

We can do that part. The more complex part, if we are serious about benchmarking at the community planning level, will relate to what the contributions of the service bodies add to the outcomes in their areas. That will be an extensive and complex piece of work. We have had to deal with technicalities such as the accountancy system in local government, but those issues will have to be resolved for each of the major public bodies. Therefore, that will be a complex piece of work, but I think that collectively we should commit to it and start to undertake elements of it. We could bring the learning and experience of the work with local authorities to support that and to advise other partners, although we should not underestimate the challenge of doing that.

**Anne McTaggart:** We heard earlier from COSLA that it is all going to roll out from December.

**Mark McAteer:** Do you mean the particular piece of work on the SOLACE work?

**Anne McTaggart:** Yes.

**Mark McAteer:** It is likely to be into the new year when that is published. As I say, we are waiting for a couple of data sources from the Scottish Government. Those are controlled through national data standards. The Government just cannot give us access to the data until mid-December. Until we get that, we cannot populate a couple of our key indicators on children’s services. By the time that we get the data, we will be close to Christmas, so we will have to make a judgment about whether people might think that we are trying to sneak out data when nobody is looking. Therefore, I think that it will be into the new year before we do the final publication of all the data.

**The Convener:** We have heard lots of positives today, but what are the negatives? What are the impediments that are still holding up the process? You have mentioned one about a data source, but what other things might be holding back the process?

12:30

**Mark McAteer:** I do not think that things are holding us back; the issue is just that we are dealing with an on-going and complex set of issues. That is the biggest challenge that we face.

The issue is not that people lack commitment or are not putting in effort; it is just that the process takes a lot of work.

At the start of the evidence from the previous two panels of witnesses, you asked why the process has taken so long. I have done a trawl across the international context and found that taking two years to get to where we are is actually pretty impressive. In countries such as Australia or Canada, the process has taken longer, so I think that we are doing pretty well in Scotland.

A lot of effort has gone in, not just from local authority partners, but from audit and inspection bodies. We are making progress, but it is important that we maintain that, given some of the other pressures from welfare reform that were alluded to earlier. As those hit the public sector, it is important that we keep people focused on improvement activities. I have no doubt that that will be a challenge, because people will be fighting fires and dealing with crises elsewhere simultaneously.

**The Convener:** So there are no negatives or impediments.

**Mark McAteer:** There are no negatives, but there are challenges. That sounds like a horrible cliché when you say it out loud—we have challenges, not problems, these days. There are challenges, but they are more technical, rather than being about people lacking commitment or ambition.

**John Wilson:** I am tempted to follow on from the convener's question by saying that the current process is part of a long line of processes in which local authorities have engaged on best practice and best value and which preceded the current indices.

Earlier, I asked the council leaders whether they have been approached by chief executives or directors of finance saying that the work on benchmarking will have an additional cost or will give rise to a requirement for additional staffing resources. This might seem a rather cheeky question, but what is the cost of the engagement of the Improvement Service in the delivery of benchmarking, and who pays for that?

**Mark McAteer:** Ultimately, the local authorities pay for our service. We are a shared service of local government. At the end of the day, we are councils' improvement body. Increasingly, we are also the improvement body for community planning partnerships, through the councils' role of supporting CPPs. Our total budget is about £1.3 million per annum, which is paid for from the local authority settlement. The work on benchmarking is a substantial resource commitment on our part. A substantial part of my and my team's time goes on it. There is no cash involved; it is just a work

commitment from the Improvement Service, because we think that it is a strategically important development for local government and we are absolutely happy to support it. That is why we have ensured that benchmarking is one of our business priorities as an organisation. The work is taking up staff time, not cash.

**John Wilson:** So £1.3 million comes out of the local government settlement.

**Mark McAteer:** That is for the whole of the Improvement Service, to cover all our activities working with 32 councils and all the services in between.

**The Convener:** I thank Mark McAteer for giving us his time again today.

We now go into private session.

12:32

*Meeting continued in private until 12:56.*

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