
Report To:	Policy and Resources Committee	Date:	24 May 2011
Report By:	Chief Executive	Report No:	PR035//11/GM
Contact Officer:	Gerard Malone	Contact No:	712710
Subject:	Commission on the Future Delivery of Public Services		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee on the use of emergency powers delegated to the Chief Executive to respond on behalf of the Council to the Commission on the Future Delivery of Public Services (the "Christie Commission") and the Strategic Leadership Forum's approval of the underpinning principles of the Council's representations.

2.0 SUMMARY

- 2.1 The Christie Commission was established by the Scottish Government in November 2010 to develop recommendations for the future delivery of public services within Scotland. The Commission is chaired by Dr Campbell Christie CBE and is operating independently of Government and will report its recommendations by the end of June 2011.
- 2.2 The Commission is working within its set timescales to gather evidence on relevant issues and was able to consider any evidence received before the end of March 2011. Relevant bodies such as individual local authorities and COSLA and SOLACE Scotland were submitting detailed evidence to the Commission on the principles of public sector reform and advocating that any change is managed effectively. In order to discuss the issues involved and within available timescales, the Strategic Leadership Forum met on 16 March 2011 to consider the following detailed report and to agree the principles underpinning the Council's formal response.
- 2.3 This report outlines the Commission's remit and sets out the principles which were considered and approved by the Strategic Leadership Forum and which were reflected in the Council's representations, as follows:
- Public sector services are best delivered as locally as possible with the flexibility to respond to local circumstances and the needs of the area;
 - Communities and individuals should be at the heart of public sector services and should be involved in helping to inform and shape service delivery in a meaningful way;
 - Local democracy and accountability should remain as the key, fundamental features of public sector services;
 - Honesty and transparency should be highly visible in all aspects of public sector service delivery;
 - Service delivery should be accessible - equality and fairness considerations should be readily apparent;
 - Public sector service providers should be able to prioritise services and

target resources to support their strategic priorities and the most vulnerable people and,

- There is recognition of the benefits of local service provisioning and commissioning via the engagement of the voluntary sector.

2.4 Following detailed consideration and discussion at the Strategic Leadership Forum, the use of powers delegated to the Chief Executive was authorised by Councillors McKenzie, Clocherty, Nelson and the Chief Executive to approve the response to the Christie Commission in the terms of this report and with reference to the above principles.

3.0 RECOMMENDATION

3.1 It is recommended that the use of emergency powers delegated to the Chief Executive is noted.

Gerard Malone
Business Manager

4.0 BACKGROUND

- 4.1 In the face of the severe financial climate, the Scottish Government has recognised there is an urgent need to ensure the long-term future of Scotland's public services. The reform of public services is necessary to ensure social cohesion within Scotland and the combination of budget pressures and the increasing demand for public services means that future delivery could be unsustainable without serious review now. The reduction in public spending and the Scottish Government's ambitions for Scotland's public services have resulted in the establishing of the Christie Commission to examine how Scotland's public services can be delivered in the future and secure improved outcomes for communities across the country. The Commission's full remit is attached as **Appendix 1**.
- 4.2 The Commission was established by the Scottish Government in November 2010 to develop recommendations for the future delivery of public services. The Commission is chaired by Dr Campbell Christie CBE and is operating independently of Government and will report on its recommendations by the end of June 2011.
- 4.3 The Commission sees its work as being to produce a 'road map' for the future reform of public service delivery in Scotland. It is thought that the Christie Commission's recommendations will inform work to reform public service delivery in Scotland over the next 5 to 10 years.
- 4.4 In fulfilling its remit, the Commission wishes to address the questions
- How best can public services achieve positive outcomes for and with the people of Scotland?
 - How best can wider organisational arrangements (including functions, structures and processes) support and enable the delivery of effective services?
 - What shared values and ethos should underpin Scotland's public service and how best can they be embedded in the delivery of public services in the future?

The issues and principles raised by the Christie Commission remit are reviewed in this report and the above questions are discussed in section 6.

- 4.5 In responding to the Commission it is essential to establish the guiding or underpinning principles of the Council's position. Crucially, it is suggested that the Commission should not focus on boundary, geographical or structural changes. Instead, the Commission should be clear from the outset about the objectives of reform and the underlying principles which should govern future direction: The review of the future delivery of public services should be about achieving positive outcomes for the people of Scotland and should be measured against that goal. These following principles are fundamental to the Council's position:
- Public sector services are best delivered as locally as possible with the flexibility to respond to local circumstances and the needs of the area;
 - Communities and individuals should be at the heart of public sector services and should be involved in helping to inform and shape service delivery in a meaningful way;
 - Local democracy and accountability should remain as the key, fundamental features of public sector services;
 - Honesty and transparency should be highly visible in all aspects of public sector service delivery; and,
 - Service delivery should be accessible - equality and fairness considerations should be readily apparent;
 - Public sector service providers should be able to prioritise services and target resources to support their strategic priorities and the most vulnerable people and,
 - There is recognition of the benefits of local service provisioning and commissioning via the engagement of the voluntary sector.

5.0 ISSUES FOR CONSIDERATION

- 5.1 The issues to be discussed in the Christie Commission affect the whole of the public sector within Scotland. The UK spending review has highlighted the extent of the funding deficit which faces Scotland's public services.
- 5.2 The role of local Government within Scotland is key: local authorities provide a wide and increasing range of services which are prioritised to meet the needs of local communities. The distinctive feature of local Government is its democratic base and, from that, its public accountability. Local authorities have many roles beyond the provision of public services in that: they provide important regulatory functions; they commission and shape local and regional third sector provision; they lead local Community Planning Partnerships and bring together different parts of the public, private, voluntary and community sectors; and, they are often significant local employers. The starting point for any public service reform should, therefore, involve a clear consensus around the role of public services and what local authorities seek to achieve in their local communities. It is important that the debate should focus on the long-term interests of public services as opposed to any short-term headlines.
- 5.3 The wider debate is about the future shape of public service delivery in Scotland and not simply the structural arrangements or boundary arrangements involving the numbers of Councils or other bodies. This reinforces that reform is not focused on budget pressures but rather should ensure that all public services are configured in the best possible way to meet the needs and aspirations of local communities. Time for informed consideration and debate and a clear strategy are needed for a long-term answer to both the budget pressures and the delivery of quality services to local communities.
- 5.4 There has already been significant and important progress on delivering outcomes through public services. Much practical and positive work linking national and local priorities has already been undertaken with the Single Outcome Agreements. The improving of outcomes is not, in itself, necessarily associated directly or simply with structural arrangements. There is, for example, no unambiguous evidence that centralisation produces better outcomes than local provision. Social problems in one local authority area may not be the same as those in another and the arrangements and public sector interventions by local services need to meet local needs and deliver local solutions. This is not to say that in certain circumstances national arrangements or regional coordination is not necessary. The issue being underlined here is that local integrated services are often far more sensitive to local needs and can deliver improved outcomes and local democratic accountability.
- 5.5 There are current issues that can illustrate the arguments but which, themselves, need careful consideration and objective evidence and evaluation. For example, this Council is already investigating improved ways of working with other, neighbouring authorities in the Clyde Valley Community Planning Partnership and a report on options has been considered recently at the Council meeting on 24 February 2011. The Council, in this instance, has taken the initiative to explore in detail the arrangements for sharing four, specific workstreams and will be considering full business cases in that regard later this year. The Council will be considering at that time whether or not to pursue joint working arrangements with other authorities in relation to waste management, support services, procurement issues with other authorities and local health boards, and the arrangements for strategic sharing of social transport. Separately, as another instance of prospective change, this Council and other authorities are involved in the national review of the structure and delivery of key emergency public services involving the Police and Fire and Rescue. These two examples show there are complex relationships involved in service delivery in the public sector and reform cannot be piecemeal or unconnected. There is a risk that a reform based on structure alone will impede the major changes in service design and delivery that is necessary to deal with the gap between demand and diminished resources.
- 5.6 The issue for Inverclyde is that it is incorrect to view all of the challenges which are faced by the public sector solely in terms of boundaries and structures. There are many examples of both local and centralised service delivery with equally valid examples of good practice

and sometimes less favourable results. It may be the case that some local experiences in one area may be less good or less timely than in another. In general, this Council can suggest that there is evidence to assert the importance of locally provided services with local democratic accountability as being the best route for the improvement of outcomes for people. This argument suggests that the reform agenda should look at the whole of public sector and not only one element. Any reform should not just focus on structures and boundaries but should consider wider issues such as finance and local priorities, policy, processes and governance roles. This report suggests that some principles put forward by COSLA at this time of early discussion can be supported:

- Reform should be based in terms of the improvement of outcomes
- Reform should look at the whole of the public sector and not just one element
- Reform should be based on robust evidence and a business case that generates community benefit – and this implies local integration rather than central aggregation
- Reform should not focus on structures and boundaries to the exclusion of other issues relating to finance, policy, systems and governance
- Local democracy and accountability should be at the heart of the reform process and should be enhanced by reform rather than diminished

6.0 RESPONSE TO THE CHRISTIE COMMISSION

Given the above general comment and the underpinning principles as set out in Section 5, above, the following responses to the Christie Commission questions are proposed:

(a) How best can public services achieve positive outcomes for and with the people of Scotland?

- 6.1 This Council believes that public services successfully achieve positive outcomes for and with individuals and communities. This Council is committed to continuous improvement and that, together with the continuously evolving local landscape means that we are continuously reviewing our progress and examining how services may be delivered more efficiently whilst continuing to meet our service users' needs and expectations. The Council's success in achieving these positive outcomes is attributable to the Council's vision and values articulated through its clear strategic direction and fully integrated community, financial and service planning mechanisms.
- 6.2 The Council leads a process of effective and collaborative working. The Inverclyde Alliance brings together the public and voluntary sectors and local communities to identify and solve local problems and improve services. It considers thematic strategies, cross-cutting issues and the development and implementation of the Community Plan and the SOA. The Council believes this demonstrates through the effective collaborative working and innovative service delivery that community planning is one of the most effective ways of promoting and sharing best practice.
- 6.3 Partnership working is not always easy and can make demands on all community planning partners, however, the Council's experience and history of partnership working clearly demonstrates the benefits. Sometimes, the scale and nature of the partner agencies' operational areas has resulted in it taking time to determine locally focused priorities. Similarly, some partner agencies' focus can be at a sub-regional or regional basis for elements of their service delivery. For example, although the NHS is devolved and there is particularly close working with the local CHCP, many aspects of its operations can remain centralised.

Accordingly, and based on experience and positive examples of the benefits of integrated services, the Council would argue in favour of greater local democratic accountability including decision making and performance setting.

In order to strengthen partnership working and universally deliver an operating and legislative basis which enables greater integration and collaborative working, it is recommended that the existing duty of community planning is extended to include all public sector agencies. It is further recommended that greater use is made of the existing power

of well-being.

This Council believes that public sector reform and improved outcomes for the people of Scotland are achievable through:

- Focused integration amongst the existing public sector agencies;
- Shared best practice and consistency in terms of operating environments in the public sector;
- Streamlined scrutiny and inspection arrangements

At an operational level across all public sector agencies, the Council considers that improved outcomes for the people of Scotland will be achieved through:

- Effective community planning and collaborative working;
- Long term financial planning;
- Local service planning and prioritisation; and,
- Community engagement and capacity building.

The Council's representations in relation to any statutory provision are that:

- Best value legislation should be extended to include all public sector agencies;
- Greater capacity to exercise the "power of well-being" should be examined; and,
- Scrutiny and inspection should be streamlined in response to the challenging times ahead for public sector services.

- 6.4 The Council's arrangements for financial planning are established and recognised as clearly demonstrating best value and sound financial management. Local authorities and other public bodies have made ongoing savings within their overall allocations for a number of years now and they have continued to demonstrate that they are efficient and financially sustainable as organisations. The Council has met the Scottish Government's freeze on Council Tax whilst taking on additional legislative requirements, improving service quality and meeting growing user demand and expectations. However, the need for a long-term financial strategy is now crucial in achieving financial stability given the challenging times facing public services over the next ten years. This is important in relation to the disruption and diversion in time and resources which would be caused by any reorganisation and it's happening at a time when resources are diminishing.
- 6.5 The Council's service planning and prioritisation arrangements are clearly structured and are underpinned by the national agenda of the Scottish Government, the Community Plan and the Council's Corporate Plan. The Scottish Government's priorities are mirrored in the Community Plan, the SOA and the Council's Corporate Plan. The Council's individual service or directorate plans then articulate how the relative service will contribute towards effective implementation of the Corporate Plan's aims. Directorate Plans in turn articulate service delivery arrangements and improvements. This means that Council services, even at a very local level, can demonstrate how they are contributing to the delivery of national objectives.
- 6.6 The Council achieves many positive outcomes and these are regularly documented through committee reports and a variety of publications including the Annual Performance Report and individual service reports.

These show that the Council, in common with other local authorities in Scotland, is delivering positive local outcomes to our area and is intervening appropriately and with innovation in supporting individuals and families with many, complex service needs.

The primary role of local authorities is to meet the needs of their residents and service users and it is essential that there is ongoing, effective public engagement by Councils. This Council is committed to community engagement and local capacity building and has enhanced its customer focus and consultation and engagement practices over the years.

(b) How best can wider organisational arrangements (including functions, structures and processes) support and enable the delivery of effective services?

- 6.7 As noted in section 5, above, the Council with the other members of the Clyde Valley Community Planning Partnership has already initiated a shared service review. The Council has recognised the need for shared services to be considered across public services, where this is appropriate and deliverable. Active review of the benefits and costs is under way. Local authorities are well motivated and equipped both to identify opportunities for cross-boundary work and to develop the delivery vehicles and partnership arrangements required to translate these opportunities into reality.
- 6.8 The key basis of local government structural arrangements is that decisions are taken at the appropriate local level in the light of local circumstances. Decisions are taken by elected representatives who are responsible to the electorate in the local government area for the decisions taken.
- 6.9 With increasing financial pressures, it is apparent that the capacity and viability of some public sector organisations, including local authorities, may require to be considered. The Council does not support the automatic presumption that the review of the future delivery of public services should be focused entirely on structural reform. The Council recognises the reason for consideration of boundaries and areas of operation to reflect a critical size to achieve economies of scale and comprehensive service delivery. However it is not the case that the geographical size of any area, large or small, should obscure the fundamental issues of local accountability and delivery. Furthermore, there is no evidence that aggregation either improves services or leads to better outcomes or even saves money.
- 6.10 The scale and types of delivery models must also be considered along with their governance arrangements. Services can be developed on a national, regional, or local level with the most appropriate model of service delivery being dependent upon the nature of the service being provided. It is important in any model of service delivery that there be local accountability to the end users concerned.
- 6.11 Councils in Scotland can discharge their functions in a number of ways including shared services and arranging for the function to be discharged by another local authority or entering into an arrangement leading to a joint committee, or, subject to legislative procedure, establishing a Joint Board. These mechanisms relate to the discharge of functions. With regard to the delivery of services, Councils have even wider discretion: they can deliver services through directly employed staff or by means of contract with an outside provider and in doing so the local authority can be highly prescriptive as to the level and kind of services delivered and as to the mechanism for delivery. Against that background, whilst the local authority may not be involved in day to day delivery, local Councillors remain answerable and accountable to the electorate. Thus, in the wide context of public services, the selection of delivery vehicles is not itself a particular concern from the viewpoint of accountability. The constraining of the discretion of local government through use of financial powers is of greater concern.
- 6.12 The integrity and robustness of governance arrangements in Scottish local government are integral to the system. There are few examples of governance arrangements or lack of them causing any major difficulties for this or any other Council.
- 6.13 It is the case that the operating environment of local government is becoming more complex with Trusts, Registered Social Landlords and Regeneration companies and their differing operating roles and procedures and governance arrangements all being familiar and relevant to Elected Members in our locality. This complex interaction and overall landscape reinforces the issues already discussed on local geography, size and relevance to local need and democracy and accountability at the local level.

It is crucial that there be local Elected Members on the governing Boards and committees of these organisations and, for example, continuing to represent local need and accountability on vital public services for Police and Fire and Rescue.

- 6.14 In terms of the relationship between local and national accountability, whilst in legislative terms local government has a wide discretion in the delivery of services, the arrangements for financing local government afford central government the power to severely restrict local discretion.

The delivery of education services provides an example of how local priorities and accountability can be successfully delivered within a national framework. Local authorities should have the key roles of providing leadership and direction to the local education service within a national framework, promoting improvement and high standards, providing the infrastructure to allow access to education for all, ensuring provision for additional support needs, and co-ordinating the work of the education service with other Council services and other public bodies in the best interests of children. This Council believes that the future management and delivery of education services should be fully accountable and democratic, within local authorities. A central approach, run directly by national government, could not adequately reflect local needs and area based circumstances. It has to be recognised of course that local delivery of education services needs to achieve economies and to provide joined up services for children. This point, moving away from the issue of centralisation and Education, also illustrates the general issue that the benefits of any proposed change in public services or organisation need to be evidenced based and realistic with outcomes that are clearly articulated and understood at the outset rather than being a simplistic view of the appropriate or correct numbers of, for example, Directors of Education for the 32 local authorities.

- 6.15 The Council believes that the existing SOA mechanism provides a suitable vehicle for the setting, delivery and reporting of local outcomes and targets within a wider national framework. SOAs are refreshed annually to reflect changing economic, political and community situations.

- 6.16 Legislation provides local authorities with powers, but does not extend to prescribing how services should be provided or at what level. This is left to local authorities through their governance arrangements and service prioritisation decisions. The powers generally available to local authorities has been extended through the 'power of wellbeing' within Section 20 of the Local Government in Scotland Act 2003 but it is fair to observe that 'the wellbeing power' does not in practice have far reaching application and this issue deserves attention in relation to local issues and decision making.

- 6.17 The Council assesses how well its services are managed on a regular basis to ensure that they are being delivered effectively. This is achieved by monitoring performance using a combination of Statutory Performance Indicators (SPIs) established by Audit Scotland and locally determined Key Performance Indicators. Robust monitoring allows the Council to identify which services are improving and, where appropriate, make plans to address areas of poor performance. Because of the nature of many of the SPIs and the changes over time in what is measured, it is not, however, always possible to compare performance for each indicator with previous years or to benchmark against other public service organisations. A standardised approach would assist in ensuring that delivery of services is consistent across the sector. Additionally, removing a number of barriers within the different operating environments of public sector agencies would greatly support further integration. For example, performance information is not consistently managed, gathered or reported across the public sector and VAT arrangements can differ amongst local authorities and NHS bodies.

Work at a national level is required to remove perceived and actual barriers that prevent data sharing between public sector agencies. In addition, focus at a national level should be placed on streamlining citizen information to allow it to be shared. This is relevant in relation to Police, Child Protection and can be supported through Information Sharing Protocols.

6.18 The Council recognises the requirement for and benefits of external scrutiny and validation and believes that scrutiny should focus on improving service delivery and performance and providing assurances to customers, residents and service users. There is an increasingly onerous burden placed on local authorities in scrutiny and inspection. The Council supports the direction of the new Best Value regime through BV 2 and the intended benefits of a more proportionate and risk based approach to scrutiny. It may be that further streamlining of the regulatory and inspection functions could be made and this is particularly important during the current climate when Councils are concentrating their efforts on developing long term financial strategies.

(c) What shared values and ethos should underpin Scotland's public service and how best can they be embedded in the delivery of public services in the future?

6.19 This Council has set out its values and goals which are at the heart of the local community and through its Corporate Plan is focused on achieving outcomes for:

- Educated, informed, responsible citizens;
- Healthy, caring communities;
- Safe, sustainable communities;
- A thriving, diverse local economy;
- A modern, innovative Council.

6.20 In response to the wider issues raised by the Christie Commission relating to the role of public services the Council recommends that the following principles underpin the delivery of Scotland's public services

- Services should be developed, delivered and managed by locally elected members, who are accountable to their local communities;
- Services, which directly improve life chances particularly amongst those in vulnerable groups, should be informed and influenced by service users and the communities served;
- On-going rigorous self-evaluation, incorporating a shared vision with a common language and understanding across and within services and partners, should be in place;
- Equality, fairness and inclusion should be clearly visible through self-evaluation, public performance reporting, scrutiny and legislation;
- Support and services should be targeted for the most vulnerable in society;
- Our commitment is to the delivery of customer-focused services and demonstrated through relevant external quality.
- Commitment and leadership should set and achieve a clear purpose and direction, the highest standards, consistency and a sense of local belonging.

7.0 FINANCIAL IMPLICATIONS

7.1 Financial Implications – One Off Costs / (savings)

Cost Centres	Budget Heading	Budget Year	Proposed Spend this report	Virement From (if applicable)	Other Comments
N/A					

Financial Implications – Annual Recurring Costs / (savings)

Cost Centres	Budget Heading	With Effect From	Annual Impact	Net	Virement From (if applicable)	Other Comments
N/A						

8.0 CONCLUSIONS

- 8.1 The Council needs to be involved fully in the debate on the reform of public services in Scotland so that it can participate in and influence the debate. The issues of democracy, accountability, local provision, outcome focus and need for evidence are outlined in this report. The significant challenge of the financial climate needs to be addressed but with the clear objective of improved and continued provision of quality public services.
- 8.2 In the face of this challenge, there is a need for a wide ranging debate on the reform of public services. This needs to cover all parts of the public sector and to recognise the diversity of local communities. The distinctive role of Local Government, as elected and accountable public bodies, is a crucial element in the debate. The debate needs to cover all aspects of policy, finance, delivery, governance and not only structures for the future.
- 8.3 The significant issue for the reform debate is the balance between the immediate financial pressures and the longer term aspirations to achieve sustainable public services within Scotland. Public service reform should be based on a clear and agreed set of principles.

Appendix 1

Commission on the Future Delivery of Public Services

(The Christie Commission)

The Commission's full remit is as follows:

Facing the most serious budget reductions for at least a generation, there is an urgent need to ensure the sustainability of Scotland's public services. At the same time we must continue to improve outcomes for the people of Scotland: by driving up the quality of services (so the average meet the standards of the best); and by redesigning services around the needs of citizens, tackling the underlying causes of those needs as well as the symptoms.

We are ambitious for Scotland's public services and wish to take them from good to excellent in every facet and in every place. We have a vision of Scotland's public services that:

- are innovative, seamless and responsive, designed around users' needs, continuously improving
- are democratically accountable to the people of Scotland at both national and local levels
- are delivered in partnership, involving local communities, their democratic representatives, and the third sector
- tackle causes as well as symptoms
- support a fair and equal society
- protect the most vulnerable in our society
- are person-centred, reliable and consistent
- are easy to navigate and access
- are appropriate to local circumstances, without inexplicable variation
- are designed and delivered close to the customer wherever possible, always high quality
- respond effectively to increasing demographic pressures
- include accessible digital services, that are easy to use and meet current best practice in the digital economy
- have governance structures that are accountable, transparent, cost-effective, streamlined and efficient

The Commission is therefore asked to identify the opportunities and obstacles that will help or hinder progress towards this vision and make recommendations for change that will deliver us to our destination. In particular the Commission is asked to:

- address the role of public services in improving outcomes, what impact they make, and whether this can be done more effectively

- examine structures, functions and roles, to improve the quality of public service delivery and reduce demand through, for example, early intervention
- consider the role of a public service ethos, along with cultural change, engaging public sector workers, users and stakeholders

The Commission should take a long term view and not be constrained by the current pattern of public service delivery, but should recognise the importance of local communities and the geography and ethos of Scotland as well as the significant direct and indirect contribution the delivery of public services make to Scotland's economy.

It should have clear regard to joint work already underway to take forward the increasing integration of health and social care and to develop sustainable police and fire services for the future. Updates on work in both areas are expected to be available to the Commission in good time for it to take into account in its recommendations.

The Commission is invited to report with recommendations by the end of June 2011.