SUBMISSION FROM SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS

Summary

- It is important to note that it is really disappointing to see that the Committee’s focus of this strand of the inquiry is focussed almost exclusively on the internal operation of Local Authorities.

- A sea-change in public service delivery begins in the creation of services. There is a strong argument for the inclusion of service users and service delivery organisations to be involved at the earliest stage of service design.

- Competitive tendering has become synonymous with procurement in Scotland. SCVO believes that it is important to look at how we can break the relationship with procurement and competitive tendering.

- The Joint Statement: on the relationship at local level between Government and the Third Sector details extensively the role of strategic and long-term funding for third sector organisations who are involved in the delivery of public services. The evidence supports however that this is not the case despite the Scottish Government and CoSLA signing up to the statement.

- It is important to recognise that whilst we look at public services delivery as a centralised, from the local authority or national government and to the people, relationship we should begin to ask the question of the role of national and local government to support communities to support themselves.

Our response

1. SCVO welcomes the opportunity to respond to strand 3 of the public service reform inquiry into developing new ways of delivering services.

2. First of all it is important to note that it is really disappointing to see that the Committee’s focus of this strand of the inquiry is focussed almost exclusively on the internal operation of Local Authorities.

3. SCVO and other organisation are of course unable to pass comment on the issue of shared services, opportunities for shared services and the tension that exists between cost savings and possible job losses.

4. The remit of this inquiry as detailed in the call for evidence is as follows;

5. “To examine progress in relation to: the development of shared services and other innovative ways of achieving economies of scale and: harnessing the strengths
and skills of key public sector partners to deliver the best possible quality services in local areas.”

6. Whilst SCVO believes it is good practice for any organisation to achieve economies of scale and best value in business it would not be appropriate for us to comment on how this achieved internally for Local Authorities.

7. However the second part of the remit is of great interest;

8. “harnessing the strengths and skills of key public sector partners to deliver the best possible quality services in local areas.”

9. It is disappointing to note that the Committee has not explored this in their questions posed as much as they possibly might have.

Introduction

10. Local Authorities have a wide range of partners that support them in the delivery of public services. Public, private and third sector organisations are involved daily in people’s lives across Scotland are important in the provision of and the delivery of public services.

11. This response will focus on the following areas related to the delivery of services in Scotland;

Putting people at the heart of public services

12. Ever since the Christie Commission there has been a template for reforming our public services in Scotland. Christie recognised an important distinction within public services regarding “doing serves to people” compare to “doing services for people”.

13. A sea-change in public service delivery begins in the creation of services. There is a strong argument for the inclusion of service users and service delivery organisations to be involved at the earliest stage of service design.

14. Whilst Local Authorities have strong and experienced staff there is a risk in the current climate of Local Authority budget squeeze that experienced staff that move on or retire may not be replaced and institutional memory is challenged.

15. By embedding a strong culture of inclusive service design we can begin to develop a new approach to public service in Scotland that include people and do not impose on people.

16. It is also important to note that the design phase should include local organisations that have knowledge in the area. These organisations might advice agencies, service delivery organisations, private and third sector. We should seek to
embed a culture that is collaborative rather than competitive and recognise everyone’s role in public services.

**Procurement that works**

17. We recognise the Scottish Government has begun to legislate on Procurement Reform but SCVO believes it is an important area that should be reinforced through this inquiry. £9 Billion of public money is spent through procurement and much of it is spent in public service delivery.

18. Competitive tendering has become synonymous with procurement in Scotland. This has largely been driven by the obsession and rule of Best Value in Scotland.

19. Whilst SCVO recognises the value of ensuring that public purchases are based on sound practices we fear there is a challenge in ensuring the best result are achieved through procurement exercises.

20. Whilst we recognise that Best Value is applicable in the purchase of “things” the best solution is often excluded when using this method for the purchase of services.

21. There has been a strong belief for a number of years now that whilst procurement continues in its current state in Scotland it will only continue to drive one organisation against another.

22. There are a number of factors that contribute to this –

   • **Best Value** – the search for the lowest cost encourages organisations to undercut one another in order to be successful in bidding. As organisations aim to offer the best price for a contract their incentive to collaborate is diminished.

   • **Timeframes** – the timeframes in which procurement exercises are undertaken do not allow sufficient time for organisations to build collaborative approaches.

SCVO believes that it is important to look at how we can break the relationship with procurement and competitive tendering.

**Collaborative Approaches**

23. Collaborative approaches have worked excellently in Scotland. One such example is the Community Jobs Scotland consortium which has delivered 2000 jobs across Scotland in all 32 local authorities.

24. Advantages of consortia approaches –
• Small organisations can take part in delivery – often small organisations are locked out of tenders due to size, expertise and financial ability. However as part of a consortium smaller organisations can take part. Small organisations often also have great contact and reputation with local communities and are better placed to support deliver in these areas.

• Collective direction – Consortia by definition require a collective will. By supporting these approaches public bodies can align organisations in their area to work towards a common goal.

• More person centred – Consortia approaches bring in a diverse group of organisations that can better represent local areas. They are often better positioned to identify the impact of a services or a delivery model on the community/service users than one organisation. If collaborations include local smaller organisations they are often best placed to inform national or international bodies/delivery agencies.

Strategic Investment

25. The Joint Statement: on the relationship at local level between Government and the Third Sector details extensively the role of strategic and long-term funding for third sector organisations who are involved in the delivery of public services.

26. The evidence supports however that this is not the case despite the Scottish Government and CoSLA signing up to the statement.

27. The Joint Statement says;

“As a general rule funders will aim to take a 3-year approach to both grant and contract funding.”

28. In a recent round-table hosted by Gavin Brown MSP at the Scottish Parliament third sector organisations shared some experiences of 3 year funding.

• None had experienced its wide spread use – Some organisations had three year funding from one local authority but experienced annual funding elsewhere.

• Annual funding was most prevalent – In almost all areas of public services where a third sector organisation was contracted to deliver services they only received annual funding and had to apply each financial year.

• Some organisations were delivering services they had no contract for – Some service delivery organisation were asked and expected to continue to deliver services without know how they would be funded and how often they would have to apply for funding despite them being a local authority service
they delivered.

- **Funding for contracts won was not confirmed for up to 3 months after the service had begun** - Some organisations were delivering services they had won contracts for and did not receive confirmation of the funds until the service had been delivered for 3 months.

29. The experiences shared above are just some of the examples that third sector organisation face in the delivery of public services in Scotland.

30. These arrangements are unsatisfactory for any sector not just the third sector. Many of the organisations that shared these experiences are aware of private sector organisations who gain 3 or even 5 year funding as normal but it does not translate to the third sector.

31. This creates challenges for smarter public service delivery;

- **Tenure** – Annual funding challenges organisations as there is uncertainty regarding the tenure of the service.

- **Workforce development** – Annual funding and uncertainty regarding tenure is a challenge for third sector organisations and their workforce development.

- **Relationship building** – Many of the service users that third sector organisations engage with are the most vulnerable in society. Annual funding and uncertainty regarding tenure challenges organisations to build strong relationships with them. Many service users experience anxiety when there is change of staff/service delivery organisation and this is more likely under annual funding.

- **Long-term issues** – Many of the areas of work that the third sector are engaged in are long term generational problems i.e. unemployment, child poverty, homelessness and drug abuse to name a few. If we recognise they are long term problems annual solutions are not the answer and we must invest appropriately to challenges these issues.

**Risk and Reward**

32. There is a mature discussion to be had at national and local government level regarding risk and reward for both local and national level and third sector organisations.

33. There is a strong belief that at present the risk lies with third sector organisations undertaking contracts to deliver public services and the reward lies with the national and local government.
34. Many of the scenarios presented about regarding strategic investment lay very high risk at the doors of third sector organisations. However it is important to note that third sector organisations, and even more so those in service delivery, exist for a purpose and that purpose is to support the most vulnerable in society.

35. Third sector organisations are far more likely to take on risk such as annual funding of services if it supports those they exist to serve.

36. It is important that national and local government begin to recognise the work that is undertaken and often the level of risk and begin to reward third sector organisations with appropriate funding arrangements.

**Community Based solutions**

37. It is important to recognise that whilst we look at public services delivery as a centralised, from the local authority or national government and to the people, relationship we should begin to ask the question of the role of national and local government to support communities to support themselves.

38. Scotland’s Communities are some of the most diverse and they have an abundance of capacity to support one another. How do local authorities engage with this?

39. Local authorities should be encouraged to support communities who wish to support the provision of and delivery of services in their area, times have moved on in the debate of service provision and local authorities aren’t always the best solution in public services. We need to challenge the assertions that public services have to be delivered by the local authority, we need to challenge the assertion that the public sector knows best.

40. Some of the most innovative developments in Scotland come from local communities working together to support themselves.

41. For example the Tegola Broadband initiative in the Western Isles; the community recognised a need for Broadband and the local authority and private sector and ruled it out because of cost. However a local company, a few local activists and a University managed to bring wireless broadband to some of the most remote islands and communities of Great Britain.

**Conclusion**

42. Scotland’s public service delivery landscape is as diverse as its people. It brings with it great challenges but more importantly it brings opportunity.

43. We need to move away from the relationship of local authorities designing and delivering services to people and develop new ways of thinking and doing that deliver services for and with people.
44. After all it is in the title “public” services. We shouldn’t see this as services delivered by the public sector but services deliver for the betterment of the public.

45. At present in Scotland public services can be defined as services that are delivered to the public. But is that all we want them to be? How can we transform them?

46. Public Services need to be truly public and we have a blueprint in the Christie Commission to truly revolutionise our services.

47. We need to open up public services to be designed by service users, to be delivered by the best delivery body available and most of all to be responsive to the needs of the public.

48. Ultimately we need to begin to transform public services so that they are truly “public” they work for those that require them, they are shaped by those that will use them and they are delivered by the most appropriate means.

Of interest –

These are a selection of relevant policy blogs by SCVO staff:

- Time to really Give up Power
- Self-Directed Disempowerment?
- Communities are doin it for themsleves
- It’s time to get personal
- Community Empowerment Bill will be nothing without culture change
- A local place for local people
- Keeping up with the Joneses

About us

The Scottish Council for Voluntary Organisations (SCVO) is the national body representing the third sector. There are over 45,000 voluntary organisations in Scotland involving around 137,000 paid staff and approximately 1.2 million volunteers. The sector manages an income of £4.4 billion.
SCVO works in partnership with the third sector in Scotland to advance our shared values and interests. We have over 1300 members who range from individuals and grassroots groups, to Scotland-wide organisations and intermediary bodies.

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

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

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

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

References
Scottish Voluntary Sector Statistics 2010, SCVO

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