LOCAL GOVERNMENT AND REGENERATION COMMITTEE

AGENDA

8th Meeting, 2012 (Session 4)

Wednesday 28 March 2012

The Committee will meet at 10.00 am in Committee Room 2.

1. **Decision on taking business in private:** The Committee will decide whether to take items 4, 5 and 7 in private.

2. **Public services reform and local government: strand 1 – partnerships and outcomes:** The Committee will take evidence from—
   
   Graeme Downie, Communications Manager, Scotland and Northern Ireland, NESTA;

   and then from—

   Gerry Marr, Chief Executive, NHS Tayside;

   Cathie Cowan, Chief Executive, NHS Orkney;

   and then from—

   Martin Bruce, Managing Director, and Derrick Thomson, Director Urban Projects, Scotia Homes;

   Dave McDougall, Chief Executive, West Lothian Chamber of Commerce.

3. **Petition PE1405:** The Committee will consider the evidence recieved on PE 1405 and what further action, if any, it wishes to take on the petition.

4. **Scottish Public Services Ombudsman:** The Committee will consider the evidence recieved from the Scottish Public Services Ombudsman.

5. **Proposed local government finance unoccupied properties bill:** The Committee will consider its approach to forthcoming legislation on local government finance for unoccupied properties.
6. **Public services reform and local government: strand 1 – partnerships and outcomes (in private):** The Committee will consider its approach to the inquiry.

7. **Accounts Commission for Scotland reports:** The Committee will consider its approach to the consideration of reports from the Accounts Commission for Scotland.

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The papers for this meeting are as follows—

**Agenda Item 2**

Submission from NHS Tayside  
LGR/S4/12/8/1

Submission from NHS Orkney  
LGR/S4/12/8/2

Submission from West Lothian Chamber of Commerce  
LGR/S4/12/8/3

Submission from Scotia Homes  
LGR/S4/12/8/4

Submission from NESTA  
LGR/S4/12/8/5

PRIVATE PAPER  
LGR/S4/12/8/6 (P)

**Agenda Item 3**

Note from the Clerk  
LGR/S4/12/8/7

**Agenda Item 4**

PRIVATE PAPER  
LGR/S4/12/8/8 (P)

**Agenda Item 5**

PRIVATE PAPER  
LGR/S4/12/8/9 (P)

**Agenda Item 6**

PRIVATE PAPER  
LGR/S4/12/8/10 (P)

**Agenda Item 7**

PRIVATE PAPER  
LGR/S4/12/8/11 (P)
Partnerships and Outcomes

This submission from NHS Tayside forms part of the evidence requested by the Local Government and Regeneration Committee and touches on four particular areas i.e. Local Context, Integrated Resource Framework, Working with Communities and Single Outcome Agreements. Better integration of partners in the community planning process requires a shared culture and ownership, with each partner taking the lead in different areas of work. The legislation for community planning is generally highly enabling and the change that is required is to put all partners on the same level within an enabling culture.

Local Context

There is increased evidence that community planning partners have a shared commitment to delivering improved outcomes in their communities. In Dundee, this has resulted in a clear agreement around top strategic priorities facing the city and its population and a co-ordinated approach to tackling the causes of deprivation and the opportunities for economic growth.

The Angus Community Planning Partnership (CPP) has gone through several stages of iterative development over the last 7 years. From a relatively loose network of partners making opportunistic connections, it has evolved into a broadly representative group, organised with themed development groups with specific objectives and performance measured outcomes. The introduction of the Single Outcome Agreements (SOA) focussed the CPP on the outcomes based approach, with a scrutiny and performance group and a number of cross-theme workstreams identified each year as priorities e.g. Shared Accommodation, Data Sharing.

In Perth & Kinross the critical success factors for community leadership to work effectively include awareness of local issues and circumstances, focus and prioritisation of local issues, working together across agencies and with communities along with clarity of roles. The approach works because as a partnership they work at two levels. Shared priorities and strategic context are set which expects professionals to work together enabling and empowering teams of professionals to come together to develop an understanding of their shared priorities in an operational context. Managers and leaders are tasked with breaking down professional barriers which allows relationships to develop, practice to be shared and knowledge to transfer. The right conditions are fostered to nurture creativity and innovation within these teams which has led to more early intervention approaches and better outcomes.
Integrated Resource Framework

The next stage for community planning needs to be based on a clear governance framework with a shared range of prioritised workstreams and outcomes that have a single integrated resource framework funded by all partners. The partners need to agree SMART objectives and shared outcomes that can be evidenced. Where appropriate, various collaborative or partnership delivery models should be designed and adopted to ensure strategic alignment and committed resourcing.

The development of outcome frameworks has assisted community planning partners to identify the shared responsibilities to contribute to all of the outcomes agreed. There are examples of improved co-ordination of services, co-location of services and joint commissioning which inevitably bring partners closer together.

The first steps to facilitate the sharing of budgets in pursuit of shared outcomes would be to formulate the development of the programme budget or Integrated Resource Framework (IRF) analysis for each programme or workstream. This will assist in identifying waste and variation and the need to make strategic shifts in the pattern of services and consumption. Logic modelling can then be used to commit activity, delivery and funding to achieve agreed improvement in outcomes for the target population. The budget should be assigned to the lead partner taking responsibility for delivery of the programme outcomes. A pooled budget approach would follow to consolidate and build on improvements.

Working with Communities

In order to further improve on the progress that has been made and overcome the remaining challenges on engaging communities and voluntary sector organisations the development of the IRF and Logic model can incorporate third sector and community led activity and capacity. The application of the four pillars of reform (prevention, partnership, people and performance) gives a clear focus to the wider effort to tackle failure demand. Critically, there is a need to develop place-based approaches and the use of “triple aim” to segment populations and to deliver improved outcomes, improved experience of service/support and a reduced unit cost or cost per case.

Tackling the concept of working with communities and releasing the potential of these communities is challenging. The concept of releasing the capacity and potential in communities we have traditionally ‘managed’ or ‘done for’ is challenging our models of delivery and behaviours. A focus on local populations with needs/wants/aspirations which each of the themed groups can work together on with the communities will be the next big challenge for the CPP. The Connecting Communities (C2) and Bolton models are proposed exemplars.
Community planning also needs to incorporate private sector expertise. The use of change fund approaches will require partners to have confidence to invest upstream at every stage and at every level to tackle failure demand.

**Single Outcome Agreements**

The SOA outcomes remain very much fixed within individual agency locus and are not part of a shared programme based upon a true single outcomes-focussed approach. The accountability also remains largely with individual partners charged with delivery. The key change required follows the logic model approach and attributes a combination of partner contributions to meeting the improvement in outcomes.

Data is produced for SOAs at a high level. The challenge is to present performance relating to population groups and communities and not as a total population where we meet the vast majority of outcomes most of the time. Understanding and using intelligent and quality data is a challenge for CPPs as a whole, and perhaps reduces our capability to identify priorities and target resources to greatest effect.

The SOAs were intended to be single in nature and to provide a focus for the combined activity and efforts of partners to effect a measurable improvement for a given programme targeted on a given population. Unfortunately, they have tended to become a compendium of individual outcomes that are unilateral rather than multi-lateral in nature. There is a determined effort to connect each of the outcomes back to the national purpose, national priorities and national outcomes frameworks. However, these fail to materialise as ambitious, visionary, transformational outcomes that efficiently align activity and resources.

Local authorities and other public bodies could contribute more to influencing and improving outcomes in their area by explicitly agreeing truly joint and single outcomes and by committing resources flexibly towards specific shifts to effect the required changes to achieve the improvement.

The arrangements, processes and accountability can be improved by the creation of a governance framework and adoption of improvement models to deliver outcomes. The greatest room for improvement in the Single Outcome Agreement process is in ensuring the availability of outcomes based performance indicators. Greater support could be made available from the Scottish Government in establishing a clear and agreed set of national indicators which can provide local datazone level results which would enable partnerships to track process on a regular basis but also crucially to determine changes within the local authority particularly in relation to closing the gap between affluent and deprived neighbourhoods.
LOCAL GOVERNMENT AND REGENERATION COMMITTEE  
PUBLIC SECTOR REFORM AND LOCAL GOVERNMENT  
SUBMISSION FROM NHS ORKNEY

1. PURPOSE

The purpose of this report is to provide written evidence on the three-strand inquiry under the overarching theme of public sector reform and local Government in Scotland. In Orkney we believe that public sector reform should at the outset be about strengthening the way in which public services are planned, designed and delivered within an overall construct that takes account of the Third and independent sectors roles and contributions. In parallel, any reform needs to consider the role and contribution of people and communities and their individual and collective rights and responsibilities.

2. BACKGROUND

The characteristics of the best performing public sector organisations are well articulated. We know that having a clear vision and sense of purpose or in other words a compelling story that people have contributed to and own is vital as is capacity and capability building and effective communication (including feedback to inform or improve future performance) and trust. Yet to date public sector reform has been sluggish, fragmented and weak in outcomes – for patients, staff and organisations. In Orkney we sought to understand why as we embarked on a journey of significant change and integration as part of developing our local Community Health & Social Care Partnership.

NHS Orkney in reviewing public sector reform over the years found that most reform had taken a very straight forward technocratic approach which in most circumstances has overlooked the social and political phenomenon driven by human behaviour and local circumstances. The technocratic proposals and remedies to date have underplayed the degree to which progress in public sector reform depends very much on cultural change and local ownership. In summary, NHS Orkney is of the view that significant reform will not flourish without credible and collaborative local leadership that encourages and fosters strong participation based on an ‘asset based’ approach that seeks to identify utilise the strengths within communities. This is of course particularly important to the sustainability of our Island communities.

3. STRAND 1: PARTNERSHIPS & OUTCOMES

In responding to this strand (as set out in the questions) we were struck with the notion that local authorities were tasked with better integration with their partners – this was being seen as their role, their lead and their responsibility and maybe herein lies the problem. Community planning participants whilst appreciating that the Local
Government Act requires local authorities to lead on community planning it can at times because of this be council centric and process driven. In response to the specific questions asked:

(a) How could councils better integrate their partners into the process? How could the degree of commitment to the process amongst other community planning partners be improved? How can any legislative or administrative barriers that make partnership working more difficult be overcome?

NHS Orkney would be keen to see an assumption that community planning (CP) is a process equally shared by all the members that make up the CP Board or Steering Group. To assume that Councils are solely responsible for directing their partners and were in a better place to inform how they ‘better integrate their partners...’. is unfair on them and can get in the way of good collaboration.

Collaborative leadership is a vital requirement given the often complex, interdependent and often wicked problems that community planning partners are and should be dealing with. These problems need a systems approach with diverse input and multiple perspectives – i.e. we need partners from the many sectors to ‘own’ the solution for its successful implementation.

Equally important is the need for Partnerships collectively to consider how they better integrate processes and engage with their local communities and staff groups – one size fits all is not a solution and whilst legislative reform is not a solution – robust accountability with very specific key measure may focus Partnerships. These measures should be outcome focused and kept to minimum. Consideration should be given to supporting a joint approach to budgeting (i.e. pooled) and the management of resources aligned to or targeted at outcome delivery.

The collaborative approach adopted in developing local Change Fund submissions has a very good methodology and whilst we acknowledge this is very specific to older people there are very good lessons to be learnt from the capacity building and co productive approaches used.

(b) How could local authorities and their partners move further towards real, integrated working? What steps would facilitate the sharing of budgets in pursuit of shared outcomes?

Partnerships not partners need to move forward together ‘…. towards real, integrated working’ and have absolute understanding of the context for change before they act. All too often this step is missed and Community Planning Partnerships spend their time often randomly noting or approving proposals without any real due consideration to how these proposal help us deliver our shared vision. NHS Orkney did a quick resume of Community Planning Partnership agendas across Scotland and this observation supported our assumption about no real sense of shared outcomes. However it is important to highlight that agendas can hide the clarity of purpose that goes on in preparing agendas.
Locally NHS Orkney as a partner in Orkney Health & Care (our local Community Health & Social Care Partnership) has already appointed single joint managers in both adult and children & families services with the NHS Chief Executive fulfilling the role of Director of OH&C and so reports directly to the local authority through their Chief Executive. These single managers are accountable for both health and social care services. Budgets are currently aligned and pooled budgets are something NHS Orkney is committed to delivering. In this regard we propose that we manage the adult pooled budget and Orkney Islands Council (OIC) manage the children’s pooled budget. OIC however has highlighted that section 95 officer status means that budgets cannot be delegated in this way given that this officer has sole responsibility as the ‘chief financial officer’ who in statutory terms is responsible for the financial affairs of the Council.

In service terms OH&C has already developed, agreed and are implementing a shared service delivery plan for all primary/community and social work services which was informed and launched by our local Public Partnership Forum in the summer last year. This Plan reflects and understands the context of change we are locally working in and the priorities that then emerge from this understanding.

In summary, consideration needs to given to how Partnerships delegate to ‘single’ managers (we believe the appointment of single managers is an important step in delivering ‘real’ integrated working) and empower them to deliver on a shared purpose, objectives and outcomes. The environment they work in therefore needs to accommodate such integrated working. NHS Orkney appreciates our response is very much focused on our experience in health and social care integration but this could be expanded to incorporate in time ‘people driven services’ supported by ‘infrastructure support services. The work coming out of the Integrated Resource Framework needs to be used to inform future activity and spend across health and social care and lessons and applicability to other setting explored.

(c) How can partners further improve on the progress that has been made and overcome the remaining challenges on engaging communities and voluntary sector organisations in the process?

To date, NHS Orkney has built in regular service reviews with local communities using the community council infrastructure as a means to inform and involve communities in proposed service changes or just to exchange ideas or hear how services are performing and whilst we remain absolutely committed to this it is resource intensive. Such involvement is particularly important in Island Boards as we seek to support changing relationships with the community to build capacity and resilience.

Again the Change Fund work has demonstrated that we need new approaches to service redesign and delivery in the face of growing demand and that these new approaches would benefit from coproduction and community capacity building – the evidence shows that such approaches work but they take time and ongoing commitment.

Cultural changes and in particular the leadership behaviours played out will greatly shape and influence the ways in which staff, professionals and clinicians interact with
people and communities using services – a collaborative and reciprocal style sets the

tone for good engagement and participation.

(d) How can the community planning arrangements be adapted and developed to

promote outcomes based and preventative approaches?

This is a challenge for Partnerships given the long term nature of the targets some of

which are generational in nature before outcomes are delivered. The change funds –

older people and now early years will help this process as they have built in performance

measures that have an emphasis on prevention, anticipatory and outcomes at the outset.

This direction will influence the response and approaches adopted by the public sector

and encourage integration with partners.

(e) How is the work of delivery on SOA outcomes managed, coordinated and

driven through the various community planning partnership structures and

agreements? How could Single Outcome Agreements be improved to deliver on

community planning targets?

Work in Orkney is currently through the CP Steering Group and to full Council, NHS

Board and partner’s equivalent governance structures. NHS Orkney play a full and

meaningful role in CP given its importance to health and well being (in the broadest

sense) and in particular the inequalities agenda that public sector partners need to be

focused on. In terms of improving the SOA process to deliver CP targets consideration
to making it simple given that it feels overly cluttered should be given and to help this

process thought could be given to cross cutting themes that play in the strengths of all

partners and in doing so potentially make more explicit their role and contribution.

(f) What is the purpose of a Single Outcomes Agreement in assisting the delivery

of improved outcomes? How are local Single Outcome Agreements developed,

and how do they relate to national priorities?

The view within NHS Orkney is that SOAs provide a Framework that enables outcomes
to be agreed with clear line of sight between our local priorities driven by our thematic

groups and national outcomes. All of which are integrated with our HEAT targets.

(g) How could local authorities and other public bodies contribute more to

influencing and improving outcomes in their area?

Community Planning Partnerships should be the vehicle that brings partners together to
develop purpose and action based on their/our local needs assessments and cross

cutting themes that then inform our collective joint strategic community needs/assets

assessments. Having partners working together from joined up community data sets

would produce joint understanding of problems to be tackled.

Partners also need to be connected and identify with their contribution and who they

represent (their stakeholders). Partnerships need to consider how through building

power we share power with each other and the wider communities. Considering and

understanding the collaborative gain is important given this will set our agendas and
focus on the issues or problems that go beyond single agency responses. Too often we get caught up in single agency issues which are the responsibility of those agencies and have no place in community planning discussions.

(h) How can arrangements processes and accountability be improved?

Delegation and empowerment set within a locally constructed body such as OH&C is providing us with an opportunity to test out our governance and accountability arrangements. NHS Orkney is keen to see delegation and empowerment within a community planning context set at a level that staff operating at different levels can commit resources and can make decisions in order to contribute fully and with immediacy. This way of working would move us from process to outcome focused and product delivery.

4. STRAND 2: BENCHMARKING & PERFORMANCE MANAGEMENT

(a) What are the main challenges (cultural, technical geographical or other) in developing performance measures and benchmarking systems for local authorities across Scotland?

Question to LA colleagues

(b) To what extent has the work undertaken over the last 2 years by the Improvement Service, SOLACE and others contributed to developing a common approach to benchmarking across Scotland’s local authorities?

Question to LA colleagues

(c) What technical or other resources are needed to continue and complete the development of recent work on benchmarking?

Question to LA colleagues

(d) To what extent can developing work on benchmarking be extended across community planning partnerships? How can data be derived from benchmarking influence the future direction of community planning and contents of future SOAs?

NHS Orkney is of the view that performance management systems by their very nature influence and affect the behaviours of managers and staff. So in cultural change terms if used appropriately they can deliver real efficiencies, inform and secure service improvement and safeguard quality and to this end we have embraced benchmarking and performance management in health. In community planning terms, NHS Orkney would be supportive of such an approach to inform ongoing assessment, business planning, target setting and for accountability purposes attention to the different governance and reporting structures at the outset should be clarified by all partners.
In benchmarking terms the need for appropriate comparators due to problems with geographical constraints and Island populations need to be accounted for or at least explained in any variance or analysis reporting.

Currently under the auspices of our CHSCP we are undertaking a homecare and resource transfer review which will involve benchmarking against our other LA and NHS Board colleagues. This work supported by the Joint Improvement Team will we are sure deliver efficiencies through best value comparisons, inform service redesign and safeguard quality and our frontline services. Similar work is underway in the Reshaping of Older People and maybe consideration should be given to the lessons coming out of this joint process before we embark on developing something new. Lessons from the Integrated Resource Framework are also very useful and demonstrate the complexity and interdependencies not often visible between health and social care.

(e) How can the development of benchmarking help improve the performance of local authorities in Scotland?

Question to LA colleagues

(f) Should the Scottish Government have a role in providing national impetus to the development of benchmarking and performance measurement?

Yes, consideration to how that role would then play out would need to be tested with partners to ensure we add value to and complement existing processes and functions and how these then fit with national targets, timescales and frameworks.

5. STRAND 3: DEVELOPING NEW WAYS OF DELIVERING SERVICES

(a) How can cultural and organisational change be promoted to ensure that local authorities and community planning partners are able to work together to develop the kind of integrated services that are aspired to by local communities?

The question in itself sets a divide and NHS Orkney would be keen to see an assumption that community planning (CP) is a process equally shared by all the members that make up the CP Board or Steering Groups of the future. NHS Orkney is of the view that culture in an organisation is probably best described as the behaviour of the organisation (the walk the talk) - it is our norms, our values, our behaviours and traditions. Culture becomes an issue when those behaviours get in the way of change management with external partners who bring their own culture to the table. Investing in strong collaborative leaders and collaborative leadership skills and capacities should be considered as we look to deal with more complex and ‘wicked' problems that require a partnership response to issues that are not clear cut nor have they ‘tested' solutions. The management of change is also something that should be considered and how that change connects to the bigger picture, that compelling story that often has many benefits that can contribute to savings, safeguards quality and protect jobs, for example national procurement in health. In CP terms, neighbourhood programmes under the auspices of Equally Well should be shared as examples of good engagement and participation.
with communities to address local issues. NHS Orkney whilst having a way to go has worked with community councils on the Isles and Mainland to design new primary and community health and social care services.

(b) How can the tensions between shared services creating savings through potential reductions in the number of staff involved and the economic impact brought about by any resulting job losses be resolved?

This is extremely important to us here in Orkney given the economic impact on our wider communities and care is taken when we are embarking on change or service improvement to give this due consideration. A well planned approach for shared services should feature robust and effective workforce planning that includes all partners playing in to minimise impact whilst using natural turnover and other levers such as job sharing and annualised hours. However, it is inevitable that integration will reduce the need for some roles and it is challenging to resolve this completely as solutions are often outwith our control and dependent on growth elsewhere in our local economy.

In summary, this is an excellent example that demonstrates the importance of community planning and the role of partners and their contribution to the economic strategy and to local infrastructure projects to maximise private and Third sector growth is very important. The Change Fund invested 40% in Third sector growth.

(c) How can any legislative or institutional barriers to developing shared and innovative service delivery models to their full potential be overcome?

NHS Orkney is of the view that many of legislative and institutional barriers are perceived and not real with the exception of the impediment that VAT rules can create to sharing of services e.g. we have to charge each other VAT for services. Collaboration and willingness to commit to integration at a senior management and Board level is the first step. This ‘permission’ empowers staff to get on and do – and they often do anyway at a practitioner level because they have grasped the benefits of good collaboration.

(d) Is there scope for further national shared services along the lines of the shared recruitment portal for local authorities, ‘myjobscotland’?

Yes, the decision to move to a single Police Force and Fire & Rescue Service demonstrates that opportunities exist for shared services elsewhere – for example health board and councils. NHS Orkney is of the view that this would be a role for Scottish Government. In Orkney the notion of a single public agency or Board has been discussed in structural terms however the collaborative benefit realisation of such a venture would need to be tested. There are of course other services that could be explored now – catering, procurement and purchasing, ICT etc. NHS Orkney in looking at this has considered a number of models.
(e) **What can be learned from elsewhere, for example from the initiatives such as Nottingham Early Intervention City or Birmingham total place pilot?**

Lessons learned from elsewhere and in particular the Total Place initiatives in England are always to be encouraged, however we have lots of really good work going on here in Scotland (Equally Well Test / Implementation sites) that should also be considered. NHS Orkney makes a small plea and asks that remote and rural challenges be considered and often the approach adopted for the central belt is not applicable nor appropriate for Island communities.

(f) **How can innovative delivery methods for services and collaborative arrangements help to improve outcomes and tackle embedded social problems focused in defined geographical areas?**

Procurement and in particular community benefit clauses to maximise employment within our Island is vital support. Employment through for example apprenticeships keeps you young people in Orkney. NHS Orkney has already begun work to explore this with Skills for Scotland however the opportunities within a community planning construct is much more meaningful and strategically focused in terms of our shared purpose. NHS Orkney will ensure such benefits are incorporated into the new hospital build. It is proposed that the new hospital build will be part of a single project which will also incorporate a care home and extra care housing.

In addition our CHSCP (Orkney Health & Care) is an integrated partnership that has been established to develop and design innovative service delivery models with people and communities to tackle the issue of inequalities and access across our Mainland and Isles.

(g) **What scope is there for developing ways of delivering services, such as personalisation of care, in order to mitigate the effects of shrinking resources while also promoting improved standards of care?**

The Self Directed Support Legislation provides us with real opportunities to consider how we in community planning partnerships work together to respond to this. The scope for people driven services and the strengthening of a vibrant Third sector will address issues of choice and contribute to new ways of working (employment opportunities etc) with our most vulnerable people in ways that deliver person centred effective and safe services.

**Cathie Cowan**
Chief Executive
NHS Orkney
The private sector in Community Planning Partnerships

Background

My experience of Community Planning Partnerships (CPPs) is limited to West Lothian where I represent West Lothian Chamber of Commerce on the CPP and the Scottish Borders where I am the independent chair of the CPP.

The issue

Businesses want to participate in CPPs but don’t know how and are unclear about the benefits to them of being involved – as a result they are wary of commitment and are nervous about the time and resource that might be needed for greater involvement.

In an ideal world CPPs would operate within expanding economies, growing budgets and good access to resources. In the current economic climate CPPs are working with contracting or stagnant economies, budget cuts and reducing access to resources.

At the macro level, growth out of the economic recession will be achieved by greater output from the private sector with expansion of businesses. This will gradually take up unemployed resources from other sectors, creating jobs and generating wealth.

At the local level this recovery will be patchy. Some areas will move ahead more quickly than others. Some will have sporadic successes and some will continue to stagnate.

Achievement of national and local outcomes will be more successful, more effective and more long term if private sector organisations are involved and committed to working in partnerships to deliver for communities.

How can the private sector be involved?

Most businesspeople have no time for sitting in lengthy talking shops, no enthusiasm for participating in prolonged consultations, and no willingness to make vague commitments. They have even less facility to make financial and other contributions to underwrite community activities.

What they do have is a willingness to participate in focussed discussions which revolve around their contribution to community activities which will affect their business performance, and where their contribution will make a measurable difference. If such discussions are productive they will contribute to the delivery of the outcomes.

How can this be achieved? CPPs need to identify where participation of private sector organisations can make a difference, how that participation can be channelled and how it can best be provided.

The “private sector” in Scotland consists of a small number of large companies, a huge number of tiny businesses, and a few in between. These are represented in different proportions in various parts of the country but all need to be involved.
Representative organisations for the private sector also vary throughout the country, including Chambers of Commerce, Federation of Small Business, Confederation of British Industry, Institute of Directors, Scottish Council Development and Industry, Scottish Business in the Community, Export Clubs, tourism groups, manufacturers’ organisations, Prince’s Trust, Social Enterprise Chamber and many more. Their local strengths will vary throughout the country and CPPs need to identify which ones are strongly representative locally and how they can best be involved.

The onus is on the CPP to be clear about its needs and what contribution the private sector can make to achieve of objectives and delivery of outcomes. The commitments on both sides need to be long term because the engagement will be unlikely to make a quick difference and positive results will take time to emerge. For this reason the requirements from the private sector need to be well defined.

Currently there is probably a general lack of awareness amongst the private sector of what CPPs are and what they are trying to achieve. It would be helpful for the objectives of CPPs to be made very clear and presented to private sector organisations. At the same time, potential requirements from, or involvement of, the private sector could be highlighted.

**Potential benefits of involvement of private sector organisations**

Companies will make commitments of resource to achieving specific objectives. If businesses have “bought in” to the achievement of particular objectives they will do what they can (and this can be defined in advance) to ensure that the objectives are achieved.

Businesses will contribute resource to projects and activities to provide business approach. Where expertise is available and commitments are made to achieving outcomes the relevant resources will be provided to add to planning, management and delivery.

If private sector representatives are involved in planning projects their early involvement in discussions will ensure speedier adoption of objectives and commitment to achievement. This will avoid later disagreements and misunderstandings.

Private sector involvement can be in almost any type of community activity. But, to be effective, it needs real commitment on both sides, serious discussion and regular communication. All of these entail dedication of resource by the CPP.

**Conclusion**

Current involvement of the private sector in CPPs is barely skimming the surface of what could be achieved. The private sector is wary of involvement, caught up in its own immediate issues, and vague about what might be possible.

CPPs could involve the private sector considerably more than at present. This requires careful planning, structured and focussed discussion and willingness to make long term commitments to developing productive private sector partnerships.

There is no single blueprint for effective action. Local circumstances vary and CPPs need to engage in the ways that best fit their area.

Dave McDougall  
West Lothian Chamber of Commerce  
21st March 2012
Scotia Homes is a family business, established in Aberdeenshire in 1991. Scotia built 323 houses a year at its peak prior to the economic crisis. In November 2000 Sam Galbraith, the then Planning Minister, wrote “Where are the conservation areas of tomorrow?” By November 2001, Lewis MacDonald, the Deputy Minister for Transport & Planning launched “Designing Places”, a policy statement. On the back of this vision to create better places, Scotia took the decision to move the business from suburban house builder back to creating sustainable, characterful urban environments that put the community right at its core.

Scotia Homes has since invested over £2 million on our public engagement and masterplanning process to ensure that communities are given full access to help plan development from the ground up. Engagement events have been run in conjunction with The Princes Foundation for Community Building and with Urban Design Associates who have over 30 years of experience in masterplanning neighbourhoods in a sustainable urban way. The engagement process extends invitations to all local residents, as well as stakeholders such as Community Councils, Council departments, public transport and health providers among others. A Masterplan is created from a blank canvas which is then modelled to both help the community visualise the proposals and help the designers to create the building designs and best streetscapes. It is intended for the planning application to be submitted based on the masterplan which may have been approved as Supplementary Planning Guidance in advance. The benefit of this approach is that residents are fully involved in the design process and many of the key issues can be addressed in advance, therefore the proposal can receive far fewer objections and sometimes even receive positive letters of encouragement.

Through this holistic masterplanning process we have the ability to build mixed use development, creating neighbourhoods with a core that create employment and local vitality that sit comfortably within their surroundings rather than imposing sprawling suburban developments that have no functional heart.
Delivering quality urban developments has not been without its problems. Although we have many masterplans currently in, or about to go through, the planning process, Scotia has only been able to deliver two functional urban sites to date. This is wholly due to bureaucratic blockages that have been encountered in the planning process. It is interesting to note that both these developments were approved before any of the major reforms to the planning process were adopted by local Councils.

In our opinion most of the problems that we currently encounter as developers fall into these five headings:
1. Local Authorities not complying with Government directives
2. Lack of leadership and direction from senior Council executives
3. Lack of communication between Council departments
4. Councillors and Council officials who remain uneducated about the benefits of good urban planning and their part in community engagement
5. Lack of consistency between Councils

What we urgently require is:
- Statutory legislation being enforced
- Strong Leadership within Councils
- Clear Objectives
- Focus on Delivery
- Actions Not Words
- Flexible Approach
- Clear Communication
- No bureaucratic delays causing regional economic and employment fall out

For information: We believe the key principles of good urban development are:
1. Engage with all stakeholders
2. Effective masterplanning (i.e. No more piecemeal development)
3. Integrated mixed use, i.e. live, work, learn, play
4. Well Connected streets
5. Variable housing sizes and tenures (“pepper potted”)
6. Focus on the pedestrian
7. Buildings of interest reflecting local styles
8. Places for people, e.g. Village squares
9. Design Guidance for residents and users
NESTA is the UK’s foremost independent expert on how innovation can solve some of the country’s major economic and social challenges. Its work is enabled by an endowment, funded by the National Lottery, and operates at no cost to the government or taxpayer. NESTA is a world leader in its field and carries out its work through a blend of experimental programmes, analytical research and investment in early-stage companies.

NESTA’s Public Services Innovation Lab works across a range of service areas to design, develop and test new approaches to tackling the UK’s most pressing social challenges and transform our public services. In particular, our research and practical work has explored the potential for interventions that achieve better prevention and early involvement in health, social care or early years’ services.

In Scotland, our work has included both policy work and practical programmes in the field of encouraging innovation in public services and we have recently commissioned a further piece of work examining the prospective role of social ventures in that transformation.

2. Challenges facing Scotland’s public services

In 2011-12, the Scottish Government budget was reduced by £1.3 billion, with a 22.9 per cent cash reduction to the capital budget. Under the plans that the UK Government announced in its October 2010 Spending Review, between 2010-11 and 2014-15, resource budgets are expected to fall by 9.2 per cent and capital budgets by 36.7 per cent.

The impact on public services of these rapidly shrinking resources is compounded by changing public demand. Even before the financial crisis, professionals were struggling to cope with the increased demand of an ageing population and complex social and behavioural issues like obesity, binge drinking, chronic disease and mental wellbeing. Public services were not set up to deal with these issues. The NHS, for example, still invests the majority of its resources in acute care rather than preventative approaches despite the majority of demand coming from managing long-term conditions.

As public demand is projected to rise as a result of prevalent social challenges, further cuts to essentially unchanged services could cause a deeper crisis in the future:

- Scotland’s population is both growing and ageing. By 2031, the number of people over 50 in Scotland is projected to rise by 28 per cent, with the number of people over 75 increasing by 75 per cent. This is a sharper increase than in other parts of the UK.¹

• The health care costs of alcohol abuse were estimated in 2007 to comprise 7.5 per cent of total health care costs in Scotland – an average of £268.8 million. The costs of crime resulting from alcohol abuse were as much as 20.4 per cent of Scotland’s total crime spending, with the majority resulting from costs as a consequence of crime.2

• Obesity in Scotland is rising rapidly and currently Scotland has one of the highest levels of obesity in OECD countries – only the USA and Mexico have higher levels. Projections indicate that by 2030 more than 40 per cent of Scotland’s population could be obese, an increase of 50 per cent from 2008.

• The social and economic costs of this trend are high. Obesity costs represent 2 per cent of the total NHS Scotland budget, close to £175 million, and the total cost to society has been estimated at £457 million.3

3. Why partnerships are important for public services

The only way for Scotland to meet these challenges facing public services is to develop more innovative services that meet the needs of individuals and communities. Partnerships are crucial in supporting innovation in 4 ways:

ij Complex problems
As the Committee has correctly identified, one of the key barriers to tackling Scotland’s social problems is the difficulties local partners often find in working together where responsibilities overlap. This is especially evident with complex problems such as families with complex needs or social care for the elderly which needing integrated solutions, meaning different agencies becoming involved in different ways and at different stages

Effective partnerships tend to support the greatest innovation as agencies and others work with local communities to tackle the real needs of a particular individual or community rather than becoming bogged down in a more input, activity-driven system.

ii Engaging Communities
The focus of the Committee inquiry seems to focus initially on partnerships between government bodies and agencies but, it should also be remembered that the most crucial partner in any effective intervention is often the community itself. Ideas being developed in places such as Tayside towards more co-produced set of service interventions represent a crucial way forward for the future through developing more wide-ranging partnerships. These allow the community or individual to feel that a service is being done ‘for’ them rather than ‘to them, resulting in better feedback and more effective intervention.

iii Accessing Information
A further aspect of effective partnership is often the sharing of data and information. There have often been occurrences where a required service was not provided by one body because they were not told directly it was required and another department did not effectively share information. By developing “Tell us Once” initiatives, partnerships can support innovation by creating a web of connections enabling information given into one

part of the system for, say, a family, is automatically added to the file on them held by every other body. This allows a faster response to changing circumstances and reduces duplication of service, saving not only time but also resource, whilst making the job of the professionals much easier and, most importantly, providing an improved service.

iv) Prevention

Finally, as NESTA has commented in the past in submissions to inquiries undertaken by the Scottish Parliament Finance Committee, one of the most promising areas for improving services is to focus a larger percentage of spending and focus on interventions that encourage prevention of conditions rather than focus on acute care. In almost all cases, this will only be possible where different organisations work together with communities to form better partnerships to identify which areas offer the best potential for reducing future demand and then work together to deliver an improved service with that focus.

4. Characteristics of good partnership

One of the difficulties with understanding why partnerships are not effective is often the lack of verifiable empirical data. Instead, the information is often more subjective. Rather than talk about the barriers to good partnership, it is perhaps easier to highlight three general characteristics of good partnership:

i) Culture of fostering innovation

Many large, public service bodies in Scotland do not have a culture that is conducive to partnership and innovation. This can make it difficult to develop and implement new approaches. In particular, radical innovation and change is difficult to achieve due to internal resistance because they are disruptive to the existing system. NESTA’s own practical work and investments in healthcare have provided copious evidence that many innovations struggle for support or fail to get adopted across the system.

Where there is effective management it has to be led from the top of the organisation but also has to be shaped and created, not simply enforced, upon other managers and staff. Many of those working in the public sector do so because of a genuine social desire to help and focussing on that motivation can help to create the right culture for partnership rather than it being a barrier. In addition, effective performance management processes can improve flexibility and provide incentives which can work towards providing effective services.

ii) A strong long-term focus

Institutional reorganisation in the public sector, changes in senior management and changes in mission, along with new guidelines and legislation can confuse those working on the frontline delivering services. This lack of longer-term focus in different organisations can mean that staff at all levels have to run simply to keep up and therefore do not have the time or required incentives to count improved partnership as high a priority as it should be. Clear direction from central government allowing organisations to deliver over five or ten years within the same kind of role and with the same focus allows for closer working partnerships.
iii) **Sharing budgets and responsibilities**

The idea of 'disregarding' the boundaries of public services is notoriously challenging and there have been a number of high profile initiatives that have struggled to demonstrate real impact. Similar to a lack of long-term focus, changing services can be prohibited or made less likely by administrative boundaries between organisations and siloed budgets within them.

Encouraging more shared budgeting and shared responsibilities towards achieving outcomes rather than holding budgets within organisations and managers being judged by only a basic, internal, performance matrix, would provide genuine incentives to more partnership work and also make that work easier.

5. **Effective Partnerships in Action**

Partnership arrangements such as Community Planning Partnerships, Single Outcome Agreements and the recent announcement of the creation of new Health and Social Care Partnerships offer a constructive environment for better collaboration, if mechanisms can also enable financial and performance incentives aligned with duties to report on shared outcomes.

Below are some examples of initiatives by NESTA and others which highlight how organisations might be able to work together to realise some of the benefits of partnership working identified at the beginning of this submission, whilst instilling the characteristics of partnership described above.

i) **Shared information**

In order to foster more information sharing, public bodies should be encouraged and supported to share information with other bodies, both inside and outside the public sector, to work jointly to find solutions.

NESTA programme *Make it Local Scotland* is supporting Scottish local authorities to share data and information with digital agencies to provide useful web-based services for their citizens. Local authorities hold significant amounts of public data – such as transport, carbon emissions, population and crime data – which may help to power a range of useful, digital services.

Four forward-thinking Scottish councils will be chosen and announced in the next couple of months. In conjunction with a digital media business each will developed an innovative web-based service using the council's publicly-owned data.

ii) **Spending for Prevention**

New methods have to be found to encourage more long-term planning of budgets and spending in public services. Rather than just having individual agencies spending a budget year-on-year, some thinking should be applied to how longer term demographic and social issues might be tackled to actually reduce demand on public services.
Social Impact Bonds are an example of one such mechanism currently being trialled in Peterborough to prevent re-offending and reduce rates of incarceration. Social Impact Bonds are contracts with the public sector in which it commits to paying for improved social outcomes. They draw in investment from socially-minded private and public investors and improved outcomes deliver a return. They are an innovative financial instrument designed to increase funding for prevention.  

Social Impact Bonds have leveraged investment of up £5 million from 17 investors to work with 3,000 male short-term sentence prisoners leaving HMP Peterborough to develop a new range of services that prevent reoffending. Though still at a relatively early stage, evaluation of the implementation of Social Impact Bonds by RAND and the Ministry of Justice have highlighted a range of benefits for investors and service providers, such as in managing risk, aligning incentives and funding under-provided services.

New financial mechanisms geared towards prevention that encourage partnerships towards achieving outcomes include an approach first developed in Texas in the US called Justice Reinvestment. The aim of Justice Reinvestment is to redirect money from prison towards addressing the resettlement needs of prisoners as well as improving conditions in the most affected communities in the hope of preventing initial offending. The Young Foundation is currently working with Manchester local authorities to adapt this model to shift towards more prevention in justice services.

iii) Involving communities in defining outcomes

Well informed and energised communities are often best placed able to develop solutions that will meet their particular needs. Government needs to find ways of effectively supporting services to make some of their own decisions to design the service that best suits them. Three examples of how this has already been done are:

- **Southwark Circle** – a social enterprise operating in South London which is developing a new model of service to improve the quality of life and wellbeing for older people. It was co-designed with the help of over 250 older people and their families and employs local Neighbourhood Helpers to deliver practical help to its members. Southwark Circle builds on the social networks that exist within a community to support older people and provides a mechanism through which they can respond to each others’ needs and interests.

- **Your Local Budget** – a project supported by NESTA working with nine Local Authorities in England to understand more about how Participatory Budgeting can be developed to involve the public directly in decision making in order to make more effective decisions and to catalyse community involvement in generating different, better, cheaper ways of meeting local needs.

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6 For more on the work of the Young Foundation in Manchester go to [http://www.youngfoundation.org/practical/transforming-justice-support-analysis-manchester](http://www.youngfoundation.org/practical/transforming-justice-support-analysis-manchester)
NESTA hopes to learn more about how to make the most out of Participatory Budgeting techniques through working with a group of leading Local Authorities who aim to push their practice a step further over the coming months. The project also aims to connect with a wider network of practitioners in order to share learning across Local Authorities working on involvement in order to promote innovation and good practice.

- **Transforming Early Years** is a NESTA programme working with six localities find different, better and cheaper solutions to improving the lives of families with very young children. The programme is based on research undertaken by the Innovation Unit and funded by NESTA, looking at Radical Efficiency. The programme explores whether:
  - Radical Efficiency can be used to design services that achieve better outcomes for less budget that current services (the aim is for a 30 per cent reduction in costs).
  - The tools and support developed through the programme can enable service providers to use radical efficiency to design better and cheaper services (including beyond children's services).

iv) **Working across boundaries**

As stated above, partnerships are most successful when they are not restricted by unnecessary boundaries, either geographical or those over responsibilities. Government must work practically to encourage organisations to disrespect these boundaries to reduce the amount of silos that exist in many public services.

NESTA is attempting to do this with local authorities in England through a programme called **Creative Councils** which is helping local authorities develop and implement radical innovations that meet the challenges of tomorrow.

NESTA’s ambition over the next two years is to work with a small group of pioneering local authorities across England and Wales and their partners to develop, implement and spread transformational new approaches to meeting some of the biggest medium and long-term challenges facing communities and local services. Some of the projects we are working with include:

- **‘Building a Better Bristol’** which will create a long-term community investment vehicle that will generate the social and financial capital to invest in the delivery of developments essential for the future of Bristol: a resilient and successful economy for a vibrant, inclusive and competitive community.

- **Future Transport in Cambridgeshire** responds to the challenge of significantly increased demand for public transport to access public services, by commissioning community-based organisations and partnerships to design new local transport solutions.

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7 For more on Transforming Early Years, including case studies of the 6 projects, go to [http://www.nesta.org.uk/areas_of_work/public_services_lab/transforming_early_years](http://www.nesta.org.uk/areas_of_work/public_services_lab/transforming_early_years)

8 For more on Creative Councils go to [http://www.nesta.org.uk/areas_of_work/public_services_lab/creative_councils](http://www.nesta.org.uk/areas_of_work/public_services_lab/creative_councils)
In Wigan, they are focussing on how personal budgets can utilise new digital technologies to give users greater personal control and stimulate social enterprise and nano-enterprise in respect of care services.

In addition, the idea of tackling problems with a “total place” approach is underway in Nottingham. The Allen Review of Nottingham as an Early Intervention City, articulated the social and economic case for early intervention and identifies a number of effective programmes, as well as putting forward recommendations for how a shift to a ‘primary prevention strategy’ could be realised. The Review was published following a task force committee on early intervention that built momentum for the agenda amongst partners and drew on the experience of Nottingham City Council’s efforts to become an ‘Early Intervention City’.

v) Working with local partners and voluntary organisations

There is undoubtedly a great deal of talent and energy amongst local charities and voluntary organisations. When properly supported, that energy can result in major changes at a local level, with ideas and practical being developed and implemented that can reduce demand on traditional services. This is an area where NESTA has a great deal of practical experience in Scotland through a project called Age Unlimited Scotland. This initiative has worked with 27 projects over two years, supporting people in their 50s and 60s in Scotland through a new innovation process to design, develop and deliver their good ideas for community ventures, across Scotland, with 16 projects being awarded microfinance investment average £5,000. The social challenge ‘competition’ acted as an emotive trigger – reaching, stimulating and supporting people to take action. NESTA also proved that the project enhanced participant’s sense of purpose, self-belief, instilled confidence and determination – encouraging enterprising behaviours and active ageing.

There are examples of how working with service users can work in major cities in Scotland, in the most challenging of areas. For example, the Glasgow Homelessness Network worked in partnership with Glasgow City Council during the Hostel Closure and Reprovisioning programme to ensure that the views of hostel residents directly informed the closure process. This work formed the basis of the Scottish Government funded Scottish Homelessness Involvement and Empowerment Network and the local Shared Solutions workshops, an innovative model of coproduction held across Glasgow to directly involve people affected by homelessness in the planning and delivery of local services. Glasgow Homelessness Network have built from this collaborative learning to grow a social enterprise that provides an expert training and support service for professionals who plan or provide services. The specialism of this enterprise is in co-production and the involvement of people experiencing exclusion or inequality.

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10 For more information on Age Unlimited Scotland, including case studies, go to http://www.nesta.org.uk/areas_of_work/public_services_lab/ageing/age_unlimited_scotland
11 http://www.ghn.org.uk/
Conclusions

It is critical that partnerships in the public service are examined closely and encouraged. They are key to fostering the innovation that is needed to help tackle Scotland’s social problems and for providing better services. As the complexity of social problems increases, so will the type of interventions needed to solve them, meaning a new, more innovative approach to public service interventions will be needed.

Partnerships are crucial in supporting that innovation in 4 ways:

- Complex problems need integrated solutions with different agencies intervening at different stages
- Sharing information through a “tell us once” system allows for better solutions to be developed.
- Only through effective partnerships can communities, voluntary and charitable groups be properly energised and supported.
- The increasing, and correct shift towards prevention in areas such as older people, early years and criminal justice will all require effective partnerships

For more information, please contact Graeme Downie, Communications Manager, Scotland & Northern Ireland on 020 7438 2613 or at graeme.downie@nesta.org.uk
Introduction

1. This paper is intended to provide information to the Committee to support its decision-making with regard to petition PE 1405.

Background

2. Petition PE 1405 was referred to the Local Government and Regeneration Committee by the Public Petitions Committee at its meeting on 15 November 2011.

3. The petition, by Andrew Muir, calls on the Scottish Parliament to request the Government to carry out urgently an independent “fit for purpose” review of the Scottish Public Services Ombudsman which encompasses opening a public inquiry to collect evidence to scrutinise the high rate of case closures since Mr Jim Martin took office in May 2009.

4. The Local Government and Regeneration Committee agreed its approach to the petition at its meeting on 21 December 2011. The paper considered by the Committee in agreeing its approach had been prepared following advice having been received from the Office of the Solicitor to the Scottish Parliament.

5. In considering its approach, the Committee noted that the Scottish Parliament and the Scottish Government were both public bodies liable to investigation by the SPSO. The Committee agreed that it appeared that the Scottish Government neither had the necessary powers nor was an appropriate body to carry out a fit-for-purpose review of the Ombudsman’s handling of complaints, as sought by the petitioner.

6. Nevertheless, the Committee agreed that, in order to inform its scrutiny function of the SPSO, it would be helpful to invite the petitioner to give evidence. Members would subsequently have an opportunity to put any relevant points that emerged from the petitioner’s evidence to the SPSO at a subsequent session with SPSO.

7. The Committee also agreed that any evidence-taking in relation to PE 1405 should be regarded as a one-off session on general concerns raised in relation to the operation of the SPSO, and that subsequent petitions in similar terms would not necessarily result in further repetition of the same sequence of events.

8. The Committee took evidence from the petitioner, Andrew Muir, at its meeting on 8 February 2012. The Committee took evidence from the SPSO at its meeting on 14 March 2012.
Consideration

9. The Committee has completed the work that it agreed to do when it agreed its approach to the petition.

10. As agreed by the Committee when it agreed its approach to the petition, the Scottish Government does not appear to have the necessary powers to carry out the type of investigation asked for by the petitioner, nor is it an appropriate body to do so.

11. The Committee will have ongoing opportunities during the remainder of the parliamentary session to continue to exercise its scrutiny function of the SPSO in considering its annual reports and strategic plan.

12. Given that it has completed its agreed planned work and will continue to scrutinise the Ombudsman regularly, the Committee is invited to consider whether to close the petition.

Eugene Windsor
Clerk to the Local Government and Regeneration Committee