Local Government and Regeneration Committee

9th Report, 2013 (Session 4)

Public Services Reform in Scotland: Strand 3 - Developing New Ways of Delivering Services

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Local Government and Regeneration Committee

9th Report, 2013 (Session 4)

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Local Government and Regeneration Committee

Remit and membership

Remit:

To consider and report on a) the financing and delivery of local government and local services, and b) planning, and c) matters relating to regeneration falling within the responsibility of the Cabinet Secretary for Infrastructure and Capital Investment and cities.

Membership:

Kevin Stewart MSP (Convener)
John Wilson MSP (Deputy Convener)
Stuart McMillan MSP
Anne McTaggart MSP
Margaret Mitchell MSP
John Pentland MSP
Stewart Stevenson MSP

Committee Clerking Team:

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Key to formatting

Various conclusions and recommendation we make throughout this report have been highlighted in blue.

Key quotations or extracts from other documents/persons have been highlighted in mauve.
The Committee reports to the Parliament as follows—

**FOREWORD**

This report covers our three-strand, 16-month inquiry into Public Services Reform ("PSR") in Scotland. It follows the publication of the report of the Commission on the Future Delivery of Public Services ("Christie Commission") two years ago and is the first indicator of the extent to which the recommendations are being implemented.

Our overall conclusion is that well-intended efforts to pursue PSR are not yet delivering the scale, nature or rate of change that is needed. This report sets out our findings, explores possible reasons for the poor progress, and offers views on how to address apparent barriers. We are clear most barriers can be overcome if all involved recognise the need for consistency of approach based on common understanding of the need for PSR. That means improving communication at all levels and requires strong leaders within partnership working, particularly ones who are good listeners and engage effectively with communities. These two themes run through our report.

The best examples of PSR arise when local communities and front-line staff are fully engaged in the process of designing and procuring services. We are sceptical of the value of top-down or centrally driven changes to services. Our evidence overwhelmingly shows that the best results involve real community engagement, clear communication, and leadership that is strong, responsive and enabling.

We recognise PSR is not a new issue, but a continuous process. Our Strand 1 Report showed, current pressures on public services, especially growth in demands and expectations, plus austerity (reducing budgets in real terms) mean the imperative to improve public services has never been greater.
We also recognise public bodies face external pressures and challenges such as new legislation, policy initiatives, and regulatory burdens. The current reform of the welfare system in the UK is but one example. In many cases increased burdens do not bring with them enough, if any, additional resources.

Due to these pressures we found widespread agreement that PSR, including delivering on the Christie Commission recommendations, is critical if our public services are to play their full role in sustaining our society and economy. We have to make better use of our diminishing resources. That is a sound base on which to build.

Now is the time to act if the ongoing investment being made in PSR is to be refocused, as all agree is needed. We commend this report to all who work to deliver our public services, and their customers. We will return to the issues raised in this report in our future work and intend to listen again to most of the witnesses to review reaction and progress.

Kevin Stewart MSP
Convener
1. This report concludes our third and final strand of our review of progress on Public Services Reform (“PSR”) in Scotland. It follows the Christie Commission and relates to the wider work of the Committee.

2. The evidence presented to us over the last 16 months creates a complex and patchy picture of progress on PSR in Scotland in recent years. We are clear that some progress is happening. However, we also found general consensus that PSR is not happening at the rate or scale that is needed or desired, or in a consistent way. PSR is too often driven by external factors, often financial issues.

3. Our evidence reveals the scale and rate of changes already in train within existing structures, notably councils. COSLA, the Society of Local Authority Chief Executives (“SOLACE”), and the Improvement Service (“IS”) all highlight projects and programmes being developed or piloted. However we could not discern a pattern in the delivery of PSR. Activity, we were told, is everywhere but success, at least in Christie Commission terms, seems patchy at best.

4. We uncovered some very deep-seated attitudes and behaviours that will take time to change. Put simply, we conclude now is the time to act if the ongoing investment being made in PSR is to be refocused on delivering the Christie Commission’s vision, as all agree is needed.

5. Witnesses cited many examples of barriers they asserted hinder progress to PSR, which are discussed later in the report, yet none could provide specific examples of an actual showstopper when pressed. Most of the barriers, both those perceived and those presented as blockages within the PSR process, could be overcome by a can-do approach and a change in behaviours and attitudes. The need for improvements in communication at all levels was a constant theme raised, in particular by community groups and front-line staff, and is an underlying theme throughout this report. We see improving communication as one facet of the strong leadership many witnesses argued is needed.

6. One area where we do see a real barrier is the attitude to risk. Too many of those engaged in PSR are risk averse. We explore this issue in paragraphs 76 to 78. We recognise this is a difficult issue because public bodies, notably their senior officials, in reaching decisions have to find a balance in real time whereas scrutiny of those decisions will have the benefit of hindsight. We see this as another area where good communication and strong leadership can address these concerns.

7. We were concerned that, 10 years on from the statutory introduction of CPPs, they are simply not delivering. We share the views of both the Accounts
Commission for Scotland (“AC”) and Auditor General for Scotland (“AGS”) that 10 years of community planning has yielded little significant evidence of major improvements in public services.\(^6\) Indeed, this was a sentiment reflected by the views of the Cabinet Secretary for Finance and Sustainable Growth, John Swinney MSP, when he acknowledged the lack of progress in relation to the historic role of CPPs, stating—

“There have been community planning partnerships for a long time—they were legislated for in the Local Government in Scotland Act 2003—and it is pretty fair to say that they have been talking shops for most of the time.”\(^7\)

8. Too many are seen as disconnected from the people they serve. Leadership has been lacking and communication poor. Despite a lot of effort at strategic level, there is little evidence of significant real progress in PSR being delivered through CPPs.\(^8\) Similar conclusions can be drawn on much of the public investment in earlier attempts at partnership working over the previous four decades. Sadly this has meant little real improvement in services or prospects for some of Scotland’s most disadvantaged communities.

9. We saw in South Ayrshire how successful partnership working can be when it is fully and properly engaged with a local community, when we visited the Maybole pathfinder project. Success is clearly built on a real understanding of the local needs, context and community spirit. We found limited evidence that such success is driven by the CPP process. We are clear that community-led changes are generally more successful than top-down initiatives.\(^9\) We conclude public bodies must change their approach to those to whom they supply services. At an individual level they must treat them as customers, endeavour to meet their needs and above all respect and listen to them.\(^10\) At a community level we see a need for a major effort to achieve the Christie Commission’s aspiration of real community engagement.

10. We heard that COSLA, SOLACE and the Scottish Government have high hopes that the newly created National Community Planning Group (“NCPG”) will lead to a re-invigoration of CPPs. We are not convinced that the emerging NCPG proposals fully address the concerns we set out in this report.\(^11\) We recognise there may be sound arguments for such a national body, in particular the chance to provide some coherence at national level by focusing on a few key priorities. We are concerned about extra layers of governance being added to the already complex community planning process and structure. We see the NCPG as additional superstructure for community planning in Scotland.\(^12\)

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\(^6\) Paragraph 132 of the report.
\(^8\) Paragraph 71 of this report.
\(^9\) Paragraph 137 of the report.
\(^10\) Paragraph 73 of the report.
\(^11\) Paragraph 142 of the report.
\(^12\) Paragraph 143 of the report.
11. The success of the NCPG will be judged on the value it adds in such areas as setting national priorities, co-ordinating actions, providing guidance, and above all in promoting the Christie Commission’s vision where, to date, the leadership needed to achieve these objectives has been insufficient.¹³

12. COSLA argued that the proposed statutory duty on all public bodies to participate fully in community planning will bring a “paradigm shift”¹⁴ in community planning. We are sceptical whether the proposed statutory duty will be enough to ensure that all participate effectively in community planning and deliver the kind of public services in communities we want to see. The evidence we heard and received reveals some very deep-seated attitudes and behaviours that will take time to change, even with a new statutory duty.

13. Our general conclusions echo the consensus of our many witnesses that the speed, scale and nature of the response to the Christie Commission is not adequate.

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¹³ Paragraphs 132 to 148 of the report.
Three-strand inquiry into PSR

14. At our meeting on 26 October 2011, we agreed to prioritise the broad areas of Single Outcome Agreements, benchmarking and Community Planning Partnerships for our inquiry work, beginning in January 2012. At our meeting on 7 December 2011 the Committee agreed that this would take the form of a three-strand inquiry into Public Services Reform (PSR). The strands agreed were as follows—

- Strand 1: Partnerships and outcomes;
- Strand 2: Benchmarking and performance measurement;
- Strand 3: Developing new ways of delivering services.

15. The first strand of the inquiry, looking at partnerships and outcomes, focused upon the role of Community Planning Partnerships (CPPs). We concluded Strand 1 and reported to the Parliament on 22 June 2012.

16. Informed by this work we commenced work on Strand 2. The purpose of Strand 2 was to examine the work that had taken place over the last two years, in relation to the development of benchmarking, comparative performance data and cost measurement, and to assess how it can contribute to the performance of local authorities in Scotland and in turn the services they deliver. We concluded Strand 2 and reported to the Parliament on 28 November 2012.

17. This report concludes the third and final strand of review of progress on PSR in Scotland. It follows the Christie Commission\textsuperscript{15} and relates to our wider work. The remit for Strand 3 was—

“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.”

18. We agreed at the outset that the third strand would build on and use all relevant evidence from strands 1 and 2, and also from our consideration of the 2013-14 budget where we focused on regeneration policy. All findings and comments are based on evidence received by us over the past 16 months.

19. We wish to thank all who gave evidence in the three strands of the inquiry, written or oral. The evidence and information received have greatly contributed to our understanding and review of the progress of public services reform.

Structure of the report
20. The remainder of this report is split into 4 sections—

Section A contains some general conclusions and recommendations on PSR;

Section B contains our Strand 3 findings and recommendations;

Section C revisits Strand 1 of our inquiry into PSR and includes developments that have occurred in the interim period; and

Section D revisits Strand 2 of our inquiry into PSR and includes developments that have occurred in the interim period.

Figure 1: The Key Objectives of the Christie Commission

“The key objectives of the reform programme must be to ensure that:

- public services are built around people and communities, their needs, aspirations, capacities and skills, and work to build up their autonomy and resilience;

- public service organisations work together effectively to achieve outcomes - specifically, by delivering integrated services which help to secure improvements in the quality of life, and the social and economic wellbeing, of the people and communities of Scotland;

- public service organisations prioritise prevention, reduce inequalities and promote equality; and

- all public services constantly seek to improve performance and reduce costs, and are open, transparent and accountable.”
SECTION A: PUBLIC SERVICES REFORM – GENERAL CONCLUSIONS AND RECOMMENDATIONS

21. This section focuses on our overall conclusions and does not repeat the specific conclusions or recommendations from each strand. We summarise our main conclusions for the generality of improving our public services in Scotland, and suggest ways in which efforts to deliver the Christie Commission’s agenda can be improved.

Progress

22. The evidence presented to us over the last 16 months creates a complex and patchy picture of progress on PSR in Scotland in recent years. We are clear some progress is happening. However, there was a general consensus that PSR is not happening at the rate or scale that is needed or desired, nor in a consistent way, and is too often driven by external factors, particularly financial issues.

23. We note there have been some major changes to our public service structures in recent years, such as in health and social care services, police, fire and rescue services and Further Education colleges.

24. Such major changes will take time to settle and we share the concerns of the Accounts Commission for Scotland and the Auditor General for Scotland (“AC/AGS”)\(^\text{16}\) that they are creating increased uncertainty in some quarters, and potential tensions between local and national priorities for change, at a time when all public services are under strain and striving to improve.

25. Our evidence further reveals the scale and rate of changes already in train within existing structures and especially councils. COSLA, SOLACE and the IS all highlight projects and programmes being developed or piloted\(^\text{17,18}\). Evidence from individual local authorities, and our survey of local authorities' budgeting approach (attached at Annex D), shows the scale and nature of these changes\(^\text{19}\). We are in no doubt that there is a huge amount of effort and activity going on in local authorities and other public agencies to deal with current pressures.


\(^{19}\) Budget savings plan submissions from local authorities 2013, Available at: [http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/56442.aspx](http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/56442.aspx) [Retrieved 19 June 2013].
26. We have also found good examples of projects, especially at a local level, and a clear understanding of, and willingness to engage with, the PSR agenda at all levels amongst stakeholders.

27. We have not found evidence that successes are being collated and replicated systematically. We have found some apparent contradictions amongst our witnesses, especially in terms of perceptions on the rate, scale, nature, direction and levels of community engagement in decisions on PSR, particularly within and across CPPs. Ten years on, there is a consensus that insufficient progress has been made by CPPs.

28. We found varying degrees of community engagement in partnerships generally, and CPPs in particular. We emphasise that there are also significant differences in perception about the levels and effectiveness of community engagement.

29. Witnesses cited many examples of barriers they asserted hinder progress to PSR, discussed later in this report, yet none could provide specific examples of an actual *showstopper* when pressed.

30. Given the context outlined above, we were not surprised that a general theme emerging from our evidence and visits is that front-line staff and community representatives perceive there are far too many changes, too much bureaucracy and too many regulators. We can see good reasons why people involved in delivering services perceive that too much change is hindering their work.

31. Such variations in perception are a recurring theme in this report. We have seen evidence that these perceptions are important determining factors in driving behaviour. We recognise the inherent risks in dealing with perceptions in a report of this nature, as it presents our conclusions on the evidence garnered over a lengthy period, and not everyone will share them.

32. Our evidence suggests most of the barriers that are both perceived and presented as *blockages* within the PSR process could be overcome by a *can-do* approach and a change in behaviours and attitudes. This view summarises much of our analysis of the evidence and underpins our conclusions and recommendations.

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*Most of the barriers that are both perceived and presented as *blockages* within the PSR process could be overcome by a *can-do* approach and a change in behaviours and attitudes.*

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20 Paragraphs 63 to 210 of the report.
33. Delivering the Christie Commission vision effectively means dealing with the reasons for these perceptions as revealed across the three strands of our inquiry.

34. We note our views closely resemble those set out in the AC/AGS Report on Improving Community Planning in Scotland\(^\text{21}\) and we endorse their findings and recommendations. We also note that the Scottish Government, COSLA and SOLACE accept the AC/AGS report and agree on the need to reinvigorate community planning to drive the Christie Commission’s vision throughout public services in Scotland. We support their ambition to provide a strategic direction to community planning through the NCPG.

35. The NCPG offers an opportunity to provide some coherence at national level by focusing on a few key priorities, it has proposed. It can also add value by improving understanding and consistency of approach in applying the Christie Commission’s principles at CPP level.

36. One of the most effective ways of doing that would be to clarify meanings of key terms such as outcomes. We have heard various interpretations of what might constitute an outcome in our evidence. They range from very strategic, such as safer communities, to very local, such as reducing vandalism at schools. Each interpretation may be valid at the appropriate level, but we have not found any robust system that ensures consistency through all the levels. Unless and until some guidance or system is in place, the problems of measuring outcomes will continue.

37. We will carefully monitor developments in the NCPG as we have concerns that it represents another strategic layer (superstructure) and much of its efforts will take a long time to impact on community planning at delivery level.

38. COSLA argued in its written submission and in oral evidence that an overall statutory duty on other public sector partners to participate in community planning would strengthen the ability to deliver public services in new ways, through greater partnership working. COSLA called this a “paradigm shift”.\(^\text{22}\) We consider this term to be misguided. We do not believe that a proposed statutory duty will be enough in itself to ensure that all public bodies participate effectively in community planning, and deliver the public services communities want to see.

39. Our evidence has revealed some very deep-seated attitudes and behaviours that will take time to change, even with a new statutory duty. Put simply, we think now is the time to act if the ongoing investment being made in PSR is to be refocused on delivering the Christie Commission’s vision, as all have agree is needed.


\(^{22}\) Scottish Parliament Local Government and Regeneration Committee, Official Report, 1 May 2013, Col 2112.
Now is the time to act if the ongoing investment being made in PSR is to be refocused on delivering the Christie Commission’s vision.

General Recommendations

40. We have suggested a range of actions and recommendations in this report (set out in Annex E). We offer here some general recommendations and invite stakeholders to reflect and respond.

41. We recommend that everyone engaged in PSR should read the general summary of our findings and consider to what degree it reflects their perception of the current position. We recognise the summary is stark. We also recognise a lot of people are putting a great deal of effort into PSR at all levels. We want to encourage that effort and focus it better.

42. Although our summary is based on the evidence presented, we will return to all the issues and questions raised here, notably in our consideration of the proposed Community Empowerment and Renewal Bill. We also intend to return to most, if not all, of the witnesses in this inquiry to seek their reaction to this report and the proposed Bill.

43. We suggest there are some things that can be done quickly to address the challenges we have highlighted, including—

- Improving communications within and across bodies and systems to ensure communities and staff are properly engaged;

- Reviewing the reporting arrangements within partnerships to ensure incentives are also directed to achieving partnership rather than only individual aims or ‘outcomes’;

- Improving community engagement. We see growing evidence that bottom-up, community-led initiatives are the most effective kind of PSR;

- Improving learning and exchange of experience.

44. We see these proposals as part of strong leadership in any partnership.

45. Some witnesses raised the question whether there is, or should be, a national strategy for PSR. Robert Black, former Auditor General for Scotland,\(^\text{23}\) suggested some overarching view or strategy would be helpful. Colin Mair, Chief Executive Officer of the IS asked “who takes the helicopter view?”\(^\text{24}\) We have not


\(^{24}\) Improvement Service submission on shared services, 20 March 2013.
considered this in detail and suggest the NCPG would be the obvious forum to take this forward, including developing such a strategy if deemed appropriate.

46. We are clear, however, that the current approach of *letting a thousand flowers bloom* needs some greater degree of focus and stronger leadership if we are to achieve the Christie Commission’s vision. We agree with the various reports that have highlighted the importance of leadership and comment more on this in paragraphs 128 to 148 (on partnership). We note at this stage the lack of clarity on what is meant by strong leadership. Our recommendations are intended to improve the focus under the current arrangements.

47. Our work has also given us some insight into a related question raised by Robert Black: where is there a “safe space” in Scottish public policy to challenge current thinking and practice, exchange experience and ideas, and develop new approaches? Such an example could be used in relation to growing evidence that major top-down restructuring of public services rarely, if ever, delivers the forecast benefits. Yet at the present time we have more in train. Similarly, experience shows that services suffer from initiative overload even in times of plenty. Yet in times of austerity we find even more effort being put into new strategies and concepts. These and other hard questions, often with inter-generational implications, need to be addressed. Perhaps a “safe space” to do so would be beneficial.

48. We see the Parliament as one source of challenge and, as in this report, a critical friend. We note COSLA have begun a survey of the various improvement agencies with a view to co-ordinating activity and thinking. We are aware of various policy forums and think tanks that can also serve some of the purposes of a safe space. We cannot find a safe space in Scotland in the terms posed by Robert Black where difficult questions can be debated openly. We suggest this concept needs further development. We invite the Parliament, the Scottish Government, COSLA, the NCPG and other stakeholders to reflect on this wider aspect when considering our report.

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SECTION B - STRAND 3: DEVELOPING NEW WAYS OF DELIVERING SERVICES

49. As this was the third strand in our inquiry we started from a much higher level of knowledge and understanding, based on the evidence from the first two strands, as well as our scrutiny of the 2013-14 draft budget. Throughout this inquiry, we have recognised that PSR is a continuous process. It is not new. It is also not easy, especially in times of austerity.

50. As a year had passed since the initial call for evidence, we launched a new call for evidence at the start of Strand 3. In response a further 31 written submissions were received. The full set of written evidence can be found on our PSR inquiry webpages\(^{27}\). We undertook an external fact-finding visit in South Ayrshire in April 2013, along with six oral evidence sessions to support Strand 3 of the PSR inquiry. Details of our written and oral evidence taking, along with the visit we undertook, are included at Annexes C; I; J and K.

51. We also led a parliamentary debate on Tuesday 26 February 2013, with the motion—

“S4M-05612 Kevin Stewart on behalf of the Local Government and Regeneration Committee: Inquiry into Public Services Reform: Developing New Ways of Delivering Services—That the Parliament recognises the importance of the work of the Local Government and Regeneration Committee in its inquiry into public services reform; welcomes its examination, at strand 3 of the inquiry, of progress being made in relation to the development of shared services, 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, and notes that the committee’s work is designed to build on its earlier inquiry reports, at strand 1, into partnerships and outcomes and, at strand 2, into progress on benchmarking and performance measurement”.

52. Our work was greatly assisted by a briefing session with Sir John Arbuthnott and Robert Black. They gave us a comprehensive overview of progress on PSR in Scotland, especially in terms of shared services and other alternative methods of delivering public services\(^{28}\). The session highlighted that PSR is not happening at the rate or scale that is needed or desired. We focused later evidence sessions on the possible reasons as to why this should be the case.

\(^{27}\) Strand 1 inquiry webpage: http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/45488.aspx
Strand 3 inquiry webpage: http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/56442.aspx

53. We noted that most of the activity reported to us in written submissions pre-dates the work of the Christie Commission. That is inevitable given the long lead-in times for major change projects. We were concerned, however, that in evidence sessions many witnesses used the language and concepts from the Christie Commission in explaining projects and proposals. We are concerned that proposals and projects developed pre-Christie Commission are being recast and reinvented to fit the Christie Commission’s vision; in effect, retro fitting. That was not the case when we met those engaged in delivering services. They were clear that most change was being driven by factors other than the Christie Commission principles, with the most quoted drivers being cost savings, staff reductions, and compliance with audit findings or legislation/policy changes.

54. Much of the effort to deliver PSR involves partnership working and such disparity in perceptions between the strategic and delivery levels became a feature of our work. This raises concerns, not least that the language of the Christie Commission is spreading much faster than its core values and principles.

55. We could not discern a pattern in the delivery of PSR. Activity, we were told, is everywhere but success, at least in Christie Commission terms, seems patchy at best. Both Sir John Arbuthnott and Colin Mair helpfully drew out some particular problems in delivery when considering the example of shared services, one of a number of alternative methods of delivering public services. Colin Mair outlined six key lessons for delivery of shared services, which we summarise in Figure 2.  

Activity, we were told, is everywhere but success, at least in Christie Commission terms, seems patchy at best.

**Figure 2: Six Lessons from Shared Services**

No 1. Avoid treating partnership and shared services as self-evidently a good thing in themselves. The totality of corporate, support and democratic services in local authorities amounts to 3% of total expenditure, but attracted a disproportionate amount of attention.

No 2. Good baseline information on the status quo and good cost and performance benchmarks are necessary to establish the case for change but have often been lacking. Where good baselines and benchmarks were created, the parties involved often improved their efficiency and performance without a shared service actually being put in place.

No 3. Upfront cost, payback period and risk often condition a negative response to shared service proposals. It is not necessarily irrational or recalcitrant to look to other ways of improving efficiency under these circumstances.

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29 Improvement Service written submission on shared services, 20 March 2013.
56. We made a point of considering a full range of alternative service delivery options, and not simply looking at joint ventures between local authorities. For example, Robert Black set out a long and helpful list of new models of service delivery, shown in Figure 3 below.\(^{30}\)

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**Figure 2 Cont’d…**

- No 4. Precision and focus on where cost benefit is most likely to be achieved is preferable to a broad-brush, scattergun approach. Trying to share everything often results in sharing nothing.

- No 5. There is a disjunction between the best interests of individual local authorities in the short-medium term, and the collective interests of all public authorities in the long term. For example, there may be a compelling business case across 15-20 years for having a single payroll service or smartcard system for all public authorities. However, for any individual council there may be no case at all within the financial planning horizon available to it (typically 2-3 years maximum). Who takes the “helicopter view” of the long term, collective interests of the public service system in Scotland as a whole?

- No 6. Most of the emphasis to date has been on economies of scale, and that will remain important. We are, however, moving to a phase when “economies of skill” are equally important. For example, in key regulatory services the outflow of staff through retirements exceeds the training and development of new staff. Individual local authorities struggle to offer the training opportunities necessary and to sustain the specialisms they need to have. The case for sharing services under these circumstances is not predominantly cost reduction but sustainability. More generally, with resources declining or static, and demand increasing, **the case for sharing may become sustaining ability to deliver, and the ability to use specialist resources more flexibly.** (emphasis added).

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**Figure 3: Some Examples of New Models of Service Delivery**

- Traditional third sector provision (organisations may have to change and merge to deliver scalable services);
- Social enterprise and community interest vehicles;
- Services organised by user-led mutual organisations;
- Employee-led co-operatives;
- Strategic delivery partnerships;
- Traditional outsourcing models.

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\(^{30}\) Robert Black written submission, 30 January 2013.
57. In addition, we were aware that much public spending – COSLA estimate up to 40% - is directed towards negative outcomes. This is no more than a sticking plaster, addressing symptoms without reducing or attempting to reduce underlying problems. Outcomes for many disadvantaged groups remain unchanged despite huge resources being directed towards them over many decades\(^{31}\).

58. We agree with both Sir John Arbuthnott and Colin Mair that shared services is but one *tool in the box* of PSR and is difficult to achieve in the current climate. During evidence on 30 January 2013, Sir John, when discussing shared services, stated—

“The implementation of shared agreements—once you have them—raises considerable logistical and political issues. Alternative delivery mechanisms mean not only shared services; they also involve the third sector, charities and volunteers Large-scale savings require brave decisions to be taken by senior officers and at the political level.” \(^{32}\)

59. That said, we are disappointed to note the slowing of progress in implementing shared services, given the considerable investment local authorities in particular made in developing proposals.

60. We note, in passing, that some witnesses seemed to interpret our remit as focusing only on shared services and/or local authorities. We trust the scope and nature of this final report on our inquiry will revise their view. A review of the submissions we received reveals a very wide range of actions and activity is taking place. Some are *simple* changes to process or structures; others are complex and involve efforts to integrate services across two or more bodies. Many involve partnership working from CPPs to very local level with communities. The drivers and criteria upon which to judge their success are also very varied and, in part,

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explain our difficulty in detecting a pattern, or identifying successes that can be replicated. Most witnesses agreed with this emerging view.

61. We seem, therefore, to have a consensus on the need to reform our Public Services in line with the Christie Commission’s principles and that the current rate, scale and nature of changes are not satisfactory. If so, the critical question is: what can we do about it?

62. We tried to understand the reasons why the current patchy picture of PSR has emerged by exploring possible reasons with witnesses. When we asked for any specific barriers to progress, we were offered a range from external factors, such as austerity, to very local factors around people and places. Our list of barriers was very similar to those identified by AC/AGS, which are detailed in Figure 4 below, and we offer our views next before drawing together our conclusions.

**Figure 4: Barriers to Progress of PSR Identified by the Accounts Commission for Scotland/Auditor General for Scotland**

**Financial:** significant set-up costs, particularly in IT, may be seen to outweigh future benefits less advantageous VAT status of any shared services operating organisation.

**Workforce:**

- resistance from existing staff arising from concerns about possible job losses;
- problems in combining terms and conditions and staff working practices; possible knock-on effects such as equal pay issues;
- logistical and cultural issues where staff are shared across a number of organisations.

**Organisational, structural and collaborative culture:**

- overcoming governance and risk management problems specific to one partner in the shared service arrangement;
- lack of leadership;
- concerns over the loss of democratic control, local accountability and local identity;
- reluctance to share data or have it stored outside own organisation;
Willingness and Attitudes

64. Despite the widespread understanding of the need for PSR, and apparent willingness to participate in the process,\textsuperscript{33} we are clear that too many stakeholders resist change and avoid taking responsibility for implementing and driving forward the PSR agenda effectively.

65. At a political level, some argued that resistance to change arises because the current electoral cycles make it difficult for politicians to take hard decisions. At official level, the reasons for resistance focused on differing accountabilities across public bodies. At a local level, the reasons for resistance ranged from silos to vested interests. We recognise these perceptions exist but question the validity of the agreement that they need represent real barriers to change.

66. We recognise that public services in Scotland are delivered through a complex array of organisations covering all recognised sectors. That complexity raises issues of structure that we chose not to address in this inquiry. Our remit was to examine progress in reforming public services under current arrangements. To some degree, we are not surprised to find variations in perspective about change across, and within, the many layers involved in delivering public services. Our concern is that the evidence suggests the variations are much greater than we would expect and, more worrying, apparently embedded in core decision-making.

67. There is a real gap between rhetoric and reality at the strategic level, especially in terms of CPPs (paragraphs 70-75), regeneration, procurement and Best Value (paragraphs 97-107). Similarly, at a more local level there are too many gaps between reality and perception, especially in terms of the apparent barriers considered in this section.

68. We have been impressed by the commitment, drive, and *can-do* approach of some local projects/partnerships we have visited and/or received evidence from (Annexes C, J and K). These examples lead us to suggest that—

- Above all, there is a need to build and sustain trust, especially in any partnership seeking to deliver PSR.

Key factors in overcoming apparent deficiencies in willingness or attitude include:

- consensual and strong leadership that recognises the realities of partnership working;
- good communications, and willingness to compromise;
- meaningful engagement with all stakeholders, and
- clear appreciation of the context/framework within which any change is happening.

69. We have sought to reflect these factors in reaching our conclusions/recommendations, particularly in relation to closing the *reality gap* at both strategic and local levels.

*Partnership and CPPs*

70. Strand 1 of our inquiry focused on CPPs. Our scrutiny of the Scottish Government 2013-14 Draft Budget focused on regeneration. Our related report acknowledged the considerable amount of partnership working in both areas and the significant progress that has been made, especially over the last decade. Section C of this report - Strand 1: Revisited - deals in more detail with our revised views on CPPs at the end of our inquiry.

71. For now, we simply note that our view on current progress closely matches that set out in the recent study by the AC/AGS on the three pilot CPPs they studied — i.e. despite a lot of effort at strategic level, there is little evidence of significant real progress in PSR being delivered through CPPs. This reinforces our view about the *reality gap* referred to in paragraph 69 above.

**Despite a lot of effort at strategic level, there is little evidence of significant real progress in PSR being delivered through CPPs.**

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72. Part of the reason for the lack of real progress lies in the variations of perception at different levels of the CPP structures. Witnesses at strategic level argued that partnership is working, clear strategies are being articulated, and public services are being improved, but presented little actual evidence of improved outcomes to us.

73. Witnesses at local level presented very different views, including assertions that too much PSR is driven by cost reduction as opposed to improving services, too little attention is paid to local context/views, and that CPPs are run by the public sector for the public sector. During our visit to Ayr we were struck by one witness who described himself as “a consumer rather than as a member of the community”, he went on to comment—

“As a consumer of goods, I can choose the quality of goods that I want at the price that I want with the delivery time that I want. However, as a consumer of public services, I do not have the same privilege—in fact, I do not even have an alternative. In South Ayrshire at least, public services are delivered by people with little understanding of best value. For me, best value is not the lowest price, but the community benefit that can be achieved by employing a certain social enterprise company or whatever.”

We agree wholeheartedly with his sentiments.

The public sector must change its approach to those to whom it supplies services, treat them all as customers, endeavouring to meet their needs and above all respect and listen to them.

74. This helps to demonstrate that perhaps the greatest disparity in perception is about the effectiveness of community engagement in partnerships generally and CPPs in particular. At CPP level we have heard very mixed views about the levels of community engagement, and have yet to understand the role and effectiveness of the Third Sector Interface (“TSI”) and their umbrella body Volunteer Action Scotland in supporting the delivery of PSR through effective community engagement. Given the investment in public funds to create this network, we intend to revisit this aspect of CPPs and would encourage the Scottish Government, COSLA and other relevant bodies to reflect on this apparent failure and consider ways of assessing the returns received and measuring the outcomes.

75. Irrespective of the balance of views about partnership working and CPPs, we are clear from the evidence that there is a problem somewhere between the strategic and delivery levels of partnerships generally, and CPPs in particular. Part of the problem is communication, attitudes and trust but there are other factors (as discussed below) to which we see no easy solution.

Risk

76. One area where we do see a real barrier is the attitude to risk. Put simply, too many of those engaged in Public Services Reform are risk averse. Delivering new services means experimenting. That always carries a risk of failure. We questioned witnesses closely on this aspect and could not find any evidence of a pilot or experiment that failed. The closest we came was admissions from some witnesses that “lessons had been learned”.

**Too many of those engaged in Public Services Reform are risk averse.**

77. We also asked about attitudes to risk and found the responses unconvincing. Risk management is now a well-established part of managing public services and we see no reason why risks associated with experimental or innovative approaches to improving public services cannot be identified, assessed and managed.

78. We appreciate that public service providers are subject to much greater scrutiny from the media and regulators and that undoubtedly explains part of the reason for a more risk-averse attitude. We suggest these factors can also be managed by careful planning and full disclosure of the anticipated risks at the outset of any new proposal, including agreeing the acceptable level of failure with any regulator. We do not however want or expect to see risk being “managed out” – we expect some failures, and failing to fail is in our view a strong indication of the risk-averse culture continuing. There is too much aversion to risk and we expect the “risk averse” culture to be addressed and staff to be empowered to take more risks, which in turn will encourage and breed innovation.

**There is too much aversion to risk and we expect the “risk averse” culture to be addressed and staff to be empowered to take more risks, which in turn will encourage and breed innovation.**

Finance and Bureaucracy

79. As expected, financial issues loomed large in our evidence taking. All witnesses are very aware of, and affected by, the current austerity measures. This seems to affect planning and delivery of PSR in two main ways. Firstly, the sourcing of funds, especially for local projects. Secondly, there is the complexity of administering funds and programmes/projects, especially where multiple funders are involved.

80. PSR requires change. That usually requires up-front investment to pilot new ideas and that takes time and effort. Some witnesses pointed out that payback periods are often difficult to forecast, particularly where a proposal involves several partners. We understand some ideas never get beyond the initial stage of financial

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appraisal if the uncertainties are too great and/or the payback period is too long. We appreciate that this is a real barrier that can be addressed only by better quality data, analysis and risk management.

81. The current financial climate means it is very hard to find funds from mainstream service budgets to fund pilots and deliver effective change. Much of the funding therefore has to be found from specific sources such as challenge/initiative funds, organisations such as the BIG lottery, or other sources. The tax system also offers scope for sourcing funds by creating arms-length bodies (“ALEOs”), which can not only take advantage of a different tax status, but can also access funds not available to public sector bodies. This approach has been widely used in recent years by Scottish local authorities, especially in leisure services.

82. We recognise the considerable efforts public service delivery agents make in putting together the often complex packages required to achieve successful PSR. Our evidence suggests this effort may be a disincentive for some, an apparent barrier to others, and a distraction for most because it shifts the emphasis of the reform to cost reduction and target compliance, rather than service improvement.

83. Multiple funding sources also add to the complexity of delivery, especially in terms of monitoring, reporting and audit. Funders often have separate application, reporting and audit arrangements, many of which are based in statute and are not easy to adapt.

84. Aside from adding complexity to the administration of change projects/programmes, this can be a disincentive, especially to smaller bodies, to seek funds or participate in joint ventures. Equally, we have heard from those representing smaller bodies, such as charities or voluntary groups, that they are still subject to one-year funding arrangements when most of the public sector funders now operate on a three-year cycle. We are aware that some public bodies, notably local authorities, work hard to deal with these matters and often support smaller bodies, especially in joint projects/programmes.

85. Our view is that such complexity is unnecessary and needs to be addressed, especially if we are to achieve full engagement with all the potential partners in public service delivery such as third sector bodies. We have seen evidence that the financial barriers can be overcome but it takes a lot of effort and understanding by all involved.

86. Overall, we find a compelling case for a review of funding sources for PSR to streamline the administration and focus the strategy. Such a review might remove or at least reduce the apparent constraint of finance. This is a task that could be done, or at least monitored, by the NCPG.

Statutory/Legal

87. Public services in Scotland are delivered through a complex array of bodies from the public, private and third sectors. Irrespective of the delivery agent, all public services have a basis in statute and therefore one body, usually in the
public sector, will have ultimate responsibility/accountability for the service. This presents few problems where a service is clearly defined and delivered through a single body e.g. policing, GP services and development control. Where services are delivered through a range of providers, as is increasingly happening, particularly in personal services, statutory functions and responsibilities become more complex and a source of apparent constraint on PSR.

88. We have not found a single statutory or legal issue that constrains PSR which cannot be overcome with the right approach to change, whether involving partners or not. The apparent barriers generally arise when two or more bodies seek to engage in partnership to improve services.

89. The most common concern amongst witnesses was accountability, especially where two or more partners are statutory bodies with separate reporting arrangements and budgets. We heard some evidence that the work of CPPs would be improved if all statutory bodies had the same duties of delivering Best Value and participating in CPPs.

90. Our view is that the current statutes have not prevented some CPPs and local partnerships from developing not only good shared working practices but, in some cases, shared staff and budgets. For example, we were told about the Dundee early intervention team, involving partnership working between Children 1st, Dundee City Council, Aberlour Child Care Trust, Action for Children and Barnardos.37 Another example is the East Renfrewshire Community Health and Care Partnership. This is a large shared service which has been operating since 2006 and combines all the health and social care staff in NHS Greater Glasgow and Clyde and East Renfrewshire Council in one organisation.38

91. Also, the North East Health and Transport steering group, involving NHS Grampian, Nestans, Aberdeen City Council, Aberdeenshire Council, Moray Council and the Scottish Ambulance Service, which also work jointly with colleagues at the Highlands and Islands strategic transport partnership. That steering group appointed an independent co-ordinator to bring all the partners together and set up an information centre that is funded by seven different budgets from seven different public sector bodies coming together to improve services.39

92. Accordingly, we see perceived statutory and legal barriers as another area where suitable guidance, based on successful practice, could make this constraint less apparent pending any legislative changes. In short, this is another area where common sense and a can-do approach can overcome perceived barriers.

93. We understand the need to be clear on these issues. We also appreciate that much of our legal and accounting framework was designed for single provider models rather than the partnership approach more common today particularly in PSR. Yet, we have seen good examples where these issues have been

37 Children 1st written submission.
addressed properly with shared responsibility, staff and budgets achieved to everyone’s satisfaction.

94. We suggest that developing some central guidance to statutory bodies and accountable officers on how legal and accounting rules have been applied to partnership working might help to spread the lessons of the successful partnerships and make this constraint less apparent.

95. In the longer term, future legislation – informed by the lessons from success – should ensure clear accountability across public bodies working in partnerships, thus removing any temptation to argue barriers exist.

96. We understand these issues are being considered by the Scottish Government and COSLA, and look forward to hearing the outcome, which we expect will form part of the forthcoming Community Empowerment and Renewal Bill.

Procurement and Best Value

97. Procurement issues arose frequently during our evidence sessions as an apparent constraint on both partnership working and PSR. There seems to be widespread concern that procurement, more specifically complying with rules (especially EU driven), is a real barrier to achieving improved services in several ways. Indeed, COSLA has raised concerns relating to the current Draft EU Procurement Directive and the potential limitations this could place upon shared service arrangements for local government (Article 11 of the Draft Directive).40 Our EU Reporter, Stuart McMillan MSP, identified this issue as an EU priority for consideration. Stuart McMillan MSP wrote to COSLA to seek further information on its concerns, in order to inform Strand 3 of this inquiry. COSLA’s response, which sets out its concerns with the procurement directive in detail, is attached at Annex F.

98. We note these concerns and acknowledge findings from the Scottish Government’s analysis of the forthcoming Procurement Reform Bill consultation. That stated, more respondents agreed than disagreed that the forthcoming Scottish Government bill should include provisions that would specifically exclude contracts between public bodies which are non-commercial (e.g. those that are in pursuit of shared service initiatives) from coverage of the procurement reforms. We anticipate that the Scottish Government will do everything it can within legal frameworks to ensure that barriers are not created to the effective delivery of shared services as a result of any procurement reform.

99. However, procurement experts would argue that effective procurement should assist the delivery of improved services. We question the validity of the procurement barriers presented to us, and the contention that they are driven from an EU level.

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100. For those responsible for any procurement the main concern appears to be compliance. There is a clear view that the rules are complex, open to interpretation, and therefore create a high risk of challenge. This has caused a very risk-averse approach, especially within public bodies, that clearly frustrates other partners, particularly when it extends timescales and/or budgets.

101. For non-statutory partners, principally the third and voluntary sectors, which largely feels on the outside of any procurement exercise, we heard the added frustration that they are not allowed to participate properly (if at all) at the early design and commissioning stages for any proposed project/programme, as it could be construed as giving them a competitive advantage. Finally, we heard from some witnesses (especially unions) that the combination of increasingly complex procurement and reducing budgets has created a least cost/lowest price approach to procuring goods and services by public bodies, and in particular local authorities, and regulated quality and indeed Best Value considerations in the pursuit of “savings”.

102. After hearing concerns around procurement levels our EU Reporter requested a briefing from SPICe on the thresholds at which different rules impact upon procurement of public services. This briefing is attached at Annex G. It demonstrates that, particularly at a community/very local level, procurement rules are disproportionate and inflexible to meet local communities’ needs, and that many local procurement rules are not the result of required compliance with EU directives, but the result of guidance from a variety of sources, and are driven by over-compliance – avoidance of risk.

103. We are aware that the Scottish Government and the Scottish public sector have made strenuous efforts to improve procurement over recent years. We heard from National Health Service National Shared Services (“NHS NSS”) how effective their approach has been in terms of securing lower prices for goods and services without compromising quality.41

104. We are also conscious that the Scottish Government’s Procurement Reform Bill is forthcoming and we will contribute our experience and views during its scrutiny by the Parliament. In terms of PSR, we are not clear whether the concerns we have heard are entirely valid. For example, the policy of Best Value was specifically designed to allow specification of services to include quality and other non-cost factors ahead of procurement. We note that Best Value is now enshrined in legislation and was intended to replace Compulsory Competitive Tendering to ensure that the competitive element of the process was proportionate, consistent with local circumstances, and did not focus on price

alone. We are concerned that well-intended policies to improve procurement and achieve Best Value are now perceived as barriers to both partnership and PSR.

105. Witnesses' views on the apparent barriers of procurement and Best Value offer a possible insight and explanation as to why good intentions at a strategic level, in particular CPPs, are not achieving the desired progress at delivery level. Here we have two policies intended to improve public services, enshrined in legislation with appropriate guidance, and in operation for several years. There is now a body of practice and practitioners for each policy focused largely on complying with their legislation/guidance, which may not always be compatible with, or may even be contrary to, partnership aims. We suspect the problem lies in finding the correct balance.

106. We are not clear to what extent guidance and practitioners have regard to the emerging requirements of partnership working. In some quarters there has been a positive approach, but there is still much learning to be done and, above all, more sensitive interpretation of the complex legislation and guidance is needed.

107. We invite the Scottish Government, COSLA, and other relevant professional bodies to reflect on our findings and consider whether a co-ordinated view on issues around procurement and best value needs to be developed to inform the consideration at working level. We also invite them to consider whether such a co-ordinated view needs to have regard to other areas of policy/compliance that might also be apparent barriers.

Data, Benchmarking, Language, and developing Trust
108. We combine the last series of apparent barriers, as we see them as interconnected and vital to the fabric of partnership. Any partnership depends on mutual understanding, respect, and trust. To achieve those requires common appreciation of the issues and context of the service(s) and that requires everyone to understand the language and data.

109. Much of our evidence highlighted the importance of robust data in developing any proposal to improve a service. The same evidence highlighted the problems in collecting, collating, and analysing data that is both robust and relevant.

110. There was total agreement that establishing a meaningful baseline is a critical first step in developing any PSR proposal. Benchmarking was also widely accepted as an important tool, though there are many caveats around the use and interpretation of data.

111. We were pleased that the SOLACE benchmarking project published its first set of data during our inquiry. We commend SOLACE for its initiative, the IS for its work, and COSLA for embracing it.

112. We see the SOLACE benchmarking data as an important first step in dealing with the many issues facing analysis in creating robust and meaningful
data sets to inform PSR. We are reassured that SOLACE intends to improve and extend the data set and would encourage it to do so as quickly as possible.

113. Our greatest concern is to see this important resource used quickly and wisely in Scottish local authorities and we intend to follow closely the progress, especially in terms of educating elected members in its proper uses. We also expect the rest of the Scottish public sector to learn from this important initiative and respond to it. Section D of this report, which revisits Strand 2 of our inquiry, deals with benchmarking in greater detail.

114. This inquiry and our wider work have revealed vagueness and occasional casualness in the use of language, particularly about PSR. We started this three-strand inquiry shortly after publication of the Christie Commission report and it is instructive to consider how some of the language from it has been used in evidence sessions.

115. We have, for example, asked many witnesses to explain what they understand by specific terms such as preventative spend, early intervention, outcomes and community engagement. The responses reveal a wide range of views – too wide in our view. We see here another example of how well-intended policies at strategic level can be interpreted in a wide variety of ways as they filter through the system of delivery agents. We also suspect that many stakeholders seize on new policies or concepts to justify or promote their particular viewpoint. We think something should be done to clarify the meaning of such key concepts.

116. We find it unacceptable and potentially damaging to public policy if everyone is allowed to interpret the Christie Commission’s values and principles and retro-fit to suit their own interests. This spread of the Christie Commission’s vocabulary more quickly than the spread of its policy is another part of the reason why strategic policies are not producing the desired progress at delivery level.

117. Consistent data and common understanding of language are necessary conditions for partnership working and building trust, though alone they are not sufficient. Much evidence emphasised the importance of trust to successful partnerships. We heard some interesting examples of ways of achieving this, including the use of an “independent broker” as a chair of a project board.

118. There is no simple solution to building trust. The reality is that trust grows from mutual understanding (communications) and respect, which often take time to develop. Factors cited as critical to partnership working included consensus building, willingness to compromise, engagement with all relevant stakeholders, and strong leadership.

119. Some witnesses argued for parity of esteem, especially for the smaller bodies in partnerships. Our view is that this cannot be achieved by agreement; it has to be earned and that requires common understanding within any partnership.

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That starts with agreeing a common purpose, clearly defined in terms that all understand and can support.

120. The related apparent barriers covered in this sub-section are closely inter-related and, in our view, can become real barriers where the correct attitudes do not exist. Data and benchmarking problems are real but can be overcome. Different interpretations of language can arise but can be sorted out. Trust can be built, though it can take time and effort and, above all, responsive and clear leadership.

**Staffing**

121. We note that the AC/AGS identified staffing issues, specifically terms and conditions, as a possible barrier to joint working. We do not touch greatly on this issue. Staff we met talked about the burdens, uncertainties, and haphazard nature of changes they face and, most of all, their feeling that their views and experiences were not being taken into account. It is possible that what we heard differs from what the AC/AGS heard due to our approach, as much evidence on staff issues arose from roundtable discussions with people engaged directly in delivering services. We note the AC/AGS findings and will reflect further on this aspect in our future considerations.

**Conclusions on Strand 3 – Developing New Ways of Delivering Services**

122. Most of our conclusions from Strand 3 apply to all three strands of the inquiry and are included in the general conclusions and recommendations for PSR in Scotland. This sub-section therefore focuses only on those relevant to new ways of delivering services.

123. We are clear that there is a lot of activity in Scotland seeking to identify new ways of delivering services. We are also clear that almost all of it is well intentioned. We are less clear to what extent there is any cohesiveness or overall strategic intent to all this effort.

124. We are concerned that wheels are being reinvented because there is no co-ordinated effort to learn from, or exchange, best practice. We are most of all concerned about the very different perceptions that exist at different levels in the delivery process. The reasons for these differences in perception can be explained in part by the barriers, real or apparent, outlined above.

125. We are very clear that there is a major disjunction between the strategic and delivery levels in our public services that needs to be addressed if the Christie Commission’s vision is to be achieved. We offer views and recommendations on how to deal with these concerns in the general conclusions and recommendations section in this report.

126. Our main conclusion on Strand 3 is that a prerequisite for success in finding new ways of delivering services is a shared common understanding and purpose.

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43 Accounts Commission for Scotland/Auditor General for Scotland written submission, 24 April 2013.
of the vision, aims, and purpose of any initiative. In simple terms, where there’s a will, there’s a way.

127. Our inquiry has shown that there are plenty of apparent barriers to progress that can be seized on for whatever purpose. One secret of success is to overcome whatever inhibitions or fears prompt the easy response to stick with the status quo. Where there is real commitment the can-do approach can do.
128. We started our inquiry on Strand 1 in January 2012 and published our report on 22 June 2012\textsuperscript{44}, the conclusions and recommendations from which are attached at Annex E. This section deals only with partnership working, especially CPPs. It covers changes that have emerged in either circumstances or in our views since publication of that report.

129. The Strand 1 report set out the context for the three-strand inquiry including an overview of Scottish local government, CPPs, Single Outcome Agreements ("SOAs"), and the current governance arrangements for CPPs. It highlighted the diversity of circumstances, arrangements, and progress of CPPs in Scotland. We recognise this diversity and also the difficulties this creates for drawing conclusions from the range of evidence we have received over the three strands of our inquiry. We accept the views of many witnesses that \textit{one size does not fit all} and that in Scotland the approach should be \textit{horses for courses}. In considering evidence we try to draw out those issues and ideas that have wide relevance.

130. The main changes since publication of our Strand 1 report have been—

- The additional evidence we have received on strands 2 and 3 of this inquiry and our scrutiny of the draft 2013-14 budget where we focused on regeneration. Much regeneration effort is driven and/or managed by partnerships at various levels and we sought to learn lessons from all the partnerships with which we engaged. We were very impressed by the evidence from those engaged in delivering services. Their views were comprehensive and compelling, covering all three strands of our inquiry.

- The publication of reports by the AC/AGS on pilot audits of three CPPs, overview reports on CPPs and local government, and evidence to us, both written and oral.\textsuperscript{45}

- The establishment of the NCPG to reinvigorate and co-ordinate community planning, (a summary of purpose and remit of the NCPG are attached at Annex H). In evidence, both the NCPG and COSLA argued that the re-launch of community planning will bring a “paradigm shift” in the delivery of public services in Scotland.\textsuperscript{46} Specifically, they believe the change will deliver the Christie Commission’s vision and focus on outcomes, improve

\textsuperscript{44}Local Government and Regeneration Committee, 8th Report, 2012 (Session 4) Public Services Reform and Local Government - Strand 1: Partnerships and Outcomes (SP Paper 170), 22 June 2012. Accessible at: http://www.scottish.parliament.uk/S4_LocalGovernmentandRegenerationCommittee/Reports/lgr-12-08w.pdf [Retrieved 13 June 2013].

\textsuperscript{45}Audit Scotland reports on CPPs in Aberdeen City; North Ayrshire; Scottish Borders, 20 match 2013. Available at http://www.audit-scotland.gov.uk/media/article.php?id=230 [Retrieved 13 June 2013].

\textsuperscript{46}Scottish Parliament Local Government and Regeneration Committee, Official Report, 1 May 2013, Col 2112.
engagement with local communities, and improve services through better integration and partnership working. This belief is largely based on the triple lock arrangement outlined in COSLA’s evidence, including a statutory duty on all public bodies to contribute to/participate in community planning.\(^{47}\)

**Figure 5: the Triple Lock Arrangement**

- Strengthening duties on individual partners through a new statutory duty on all relevant partners to work together to improve outcomes for local communities, whether acting nationally, regionally or locally - ensuring collective accountability for improving outcomes, as well as a basis for external scrutiny to ensure that all partners are fulfilling their partnership role effectively.

- Formal requirements of Community Planning Partnerships to ensure they operate as genuine Boards - to facilitate more effective partnership working and planning, resourcing and delivery of local priority outcomes.

- Establishment of a joint group at national level to provide political and strategic leadership and guidance to support effective delivery and capacity at a local level - bringing together for the first time national and local government at a strategic political level together with non-elected chairs.

131. The evidence provided by AC/AGS reflected and reinforced the other evidence we received. We therefore share the AC/AGS conclusion about the lack of impact of CPPs in Scotland, especially as expressed at paragraphs 9 and 10 of their report.\(^{48}\)

**Figure 6: Extract from AC/AGS Report on community planning**

“Partnership working is now generally well established and many examples of joint working are making a difference for specific communities and groups across Scotland. But overall, and ten years after community planning was given a statutory basis, CPPs are not able to show that they have had a significant impact in delivering improved outcomes across Scotland.

Our audit work in recent years has found shortcomings in how CPPs have performed. These are widespread and go beyond individual CPPs. Community planning was intended as an effective vehicle for public bodies to work together improve local services and make best use of scarce public money and other …

\(^{47}\) COSLA written submission February 2013.

132. In particular we share the view of the AC/AGS that 10 years of community planning has yielded little significant evidence of major improvements in public services. Like the AC/AGS, we also found major differences in perceptions about CPPs in terms of their impacts, outcomes, rates of progress, and above all levels of community engagement. We also note that this lack of progress has had its greatest impact on some of the most disadvantaged communities in Scotland.

10 years of community planning has yielded little significant evidence of major improvements in public services.

133. AC/AGS offered some potential reasons for the disappointing rate of progress which they termed “barriers”. We found similar potential explanations and therefore agree with their assessment, though we question to what extent the various barriers are more apparent than real. We explored these apparent barriers in more detail in Section B of this report, as we found them of equal relevance and importance to PSR and partnership working.

134. We emphasise that we are not decrying the considerable efforts, and some successes, of CPPs. All the evidence reveals a widespread understanding of the context in which CPPs are developing, real commitment in most quarters to make them work, and growing efforts to develop SOAs to drive the changes that are needed. The written evidence received revealed some good examples of real change and success, particularly at a local level.

135. When we visited South Ayrshire in April 2013, we took evidence from community representatives and the local TSIs. They provided a number of positive examples of changes to the way in which their local public services are delivered by communities working closely and successfully with the local authority and partners to determine and deliver the services that communities want.

136. We saw in South Ayrshire how successful partnership working can be when it is fully and properly engaged with a local community. Success in such cases is clearly built on a real understanding of the local needs, context and community spirit.

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49 Annex C.
137. We found limited evidence that such success is driven by the CPP process. More often such successes are delivered from the bottom-up. We are clear that community-led changes are generally more successful than top-down initiatives.

**We are clear that community-led changes are generally more successful than top-down initiatives.**

138. Our evidence also shows that there is not enough exchange of best practice and good ideas across Scotland’s many partnerships, including CPPs. The NCPG acknowledged this in its evidence and is currently trying to co-ordinate the activity of the many improvement bodies in Scotland - “22 and still counting”.

139. A review of our evidence suggests the following characterisation of partnership working – especially CPPs – would reflect experience in all partnerships to some degree. We see three distinct levels—

- At strategic level most seem to believe partnership is working despite the Accounts Commission for Scotland/Auditor General for Scotland evidence. The one area of doubt is around community engagement, where the experience is at best patchy. At strategic level we have not had sufficient evidence to form a view on the role of Third Sector Interfaces. Given the considerable investment from the Scottish Government and the BIG lottery in building this network we intend to return to this issue in future work;

- At working level, when communities are fully engaged, there is a great deal of action, some success, and often a feeling of achievement. Equally, there are real frustrations from both community representatives and amongst front-line staff, often created by the apparent barriers considered in Section B of this report. In particular, we found overwhelming evidence at local level that communities do not feel engaged in the CPP process, lack understanding/appreciation of it, and generally feel it is something being done to them. Many also said their voice is not being heard where it matters. In short, what is happening is precisely the opposite of the Christie Commission aspirations;

- Somewhere between the strategic and local levels there is a soft centre where the strategic vision from the top and the energy and ideas from local level are somehow dissipated. This soft centre might also be characterised as silo structures. We can detect no golden threads between the aims/visions at strategic level and the energy and successes we saw at local level, nor did we find much evidence of any systematic overview of …

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140. That concern was not assuaged when we took evidence in our final session from representatives of the NCPG, COSLA and SOLACE. The focus of their evidence, and arguments, was on the re-launch of community planning based on the emerging work from the NCPG.

141. We are pleased that the NCPG, COSLA, and SOLACE acknowledge and accept the evidence and conclusions of the AC/AGS on the lack of progress in CPPs. We totally support their efforts to reinvigorate community planning and in particular to deliver on the Christie Commission’s recommendations, though we noted in paragraph 37 of our Strand 1 report \[52\] that the Christie Commission called for political leadership rather than offer specific recommendations—

“Although the Christie Commission report identified a number of broad priorities and included some recommendations for change, the Commissions’ report does not, in the main, offer specific recommendations to the Government on how to progress the proposed programme of reform. Instead, the report concludes by calling on the Government to provide political leadership in taking its proposals forward.”

142. We are not satisfied, however, that our concerns as characterised above have been understood, nor are we convinced that the emerging NCPG proposals alone will fully address the concerns we set out in this report.

We are not convinced that the emerging National Community Planning Group proposals fully address the concerns we set out in this report.

143. Our view is that the NCPG may represent additional superstructure for community planning in Scotland. We are disappointed by the lack of progress achieved over the last 10 years, and whilst we recognise there may be sound arguments for such a national body, we are concerned about extra layers of governance being added to the already fairly complex community planning process and structure.

144. The success of the NCPG will be judged on the value it adds in such areas as setting national priorities, co-ordinating actions and providing guidance, but above all in promoting the Christie Commission’s vision where, to date, the co-ordinated leadership needed to achieve these objectives has been insufficient.

145. It can take a long time to measure the success of such activity and our view is that we need urgent action now to move forward the reform of public services. The NCPG is a new area of activity at a strategic level further removed from where the real problems need to be addressed and much will depend on how CPPs react.

146. We are concerned that the emphasis on the new statutory power to contribute to CPPs will be seen as another box to be ticked. The duty may be a necessary condition to improve meaningful engagement by all public bodies in CPPs, but we do not see it as a sufficient condition to change behaviours and attitudes in the key areas where services are designed, produced and delivered. Above all, we have serious doubts about whether this new superstructure and statutory duty can have any impact on the area of greatest concern: community engagement.

147. While wholly supportive of all efforts to improve community planning, we are sceptical about the emerging proposals from the NCPG and COSLA. We will continue to monitor progress and will focus our consideration of the forthcoming Community Empowerment and Renewal Bill on these areas of concern. We will also seek further evidence from some of those who contributed to this inquiry when considering the Bill, which will include further visits to local projects/initiatives.

148. At this stage we highlight three key issues for CPPs/partnership that emerge from our inquiry—

- CPP/partnership working arrangements are now well developed and mostly embedded in the relevant partner structures. The system is now sufficiently mature to permit meaningful audit of structures and processes. Most partners seem to understand the need to work together and are committed to doing so. We agree with the view expressed by David Martin from SOLACE in our final evidence session. He was asked if there was agreement with these findings in the AC/AGS reports and said—

  “It depends on the issue. In some community planning partnerships, work on issues such as child protection has advanced tangibly and demonstrably as a result of collective working. However, generally
speaking across the piece, we have not done as well as we could do and we need to raise the bar."\(^{53}\)

- To achieve the switch in emphasis to delivery, we suggest that CPPs/partnerships need to focus more closely on the recommendations of the Christie Commission, specifically the need to improve community engagement. We emphasise that such engagement needs to happen at all levels of partnership work. They also need to demonstrate more clearly how their aims/visions are translated into reality at delivery level.

- Much of our evidence highlighted the need for better leadership. We agree that is desirable but believe consideration is needed about the meaning of leadership in a partnership context. Our view is that good partnership leaders listen and respond to local communities. Agreeing aims/visions and delivering them requires a continuous process of engagement and adjustment to reassure all the partners that they are being heard and, where possible, accommodated. Such a process is vital to building the trust on which all good partnerships are founded.

SECTION D - REVIEW OF STRAND 2: BENCHMARKING AND PERFORMANCE MEASUREMENT

149. We started investigating Strand 2 in September 2012 and published our report on 28 November 2012.\textsuperscript{54} Annex E set out the conclusions and recommendations of Strand 2. This section covers changes in either circumstances or our views since publication.

150. The Strand 2 report set out the context for the inquiry, including an explanation of benchmarking and its purpose, an outline of the SOLACE/IS benchmarking project, and a review of the proposed indicators and the potential uses of the new data.

151. The main changes since publication of Strand 2 have been—

- The additional evidence we received on Strand 3;
- The reports from the AC/AGS detailed at paragraphs 130 to 133;
- The publication of the first set of data from the SOLACE/IS benchmarking project in March 2013.

152. There is widespread agreement on the importance of benchmarking and performance measurement in developing new services. The issue most relevant to Strand 2 that emerged was the problems of obtaining, analysing and using robust data across the public sector. Such data problems are particularly severe in terms of being able to carry out meaningful benchmarking.

153. Our Strand 2 report emphasised the importance we attach to the SOLACE/IS benchmarking project. We again commend SOLACE for taking forward this initiative, the IS for delivering it, and COSLA for embracing it. Critically; we now have a data set that is owned by local government and permits meaningful comparison across a range of indicators of overall performance. It also enables local authorities to delve deeper to investigate apparent differences and take action to improve performance and services. This is a first and also a benchmark in itself for the rest of the public sector.

154. We recognise, as do SOLACE and COSLA, that the benchmarking project adds an important tool to the analytical kit of local authorities. As much of our evidence revealed, it can neither be a panacea nor a 	extit{magic bullet}. In itself the project cannot deliver new or improved services. Such changes will come from the way the data is used and we have already heard encouraging evidence that some local authorities are applying it to determine why unexpected disparities exist in

services in different areas. We share the ambition of SOLACE and COSLA that the data is used widely, wisely, and to best effect.

155. We are conscious that the project has taken a long time to mature, for reasons set out in our Strand 2 Report. Given the widely acknowledged pressures on our public services we would expect the next stages to proceed apace to—

- improve and increase the exchange of information and best practice on using the data to deliver new or improved services;
- educate and inform all those who can benefit from using the data, notably elected politicians at all levels;
- extend the data set by adding new, appropriate indicators and refining those already included;
- extend the scope of the project to include partner agencies within community planning;
- liaise with regulators to integrate the data into performance measurement and scrutiny systems to reduce burdens and increase accountability, and
- encourage other parts of the public sector to follow suit in developing a meaningful, overarching data set to permit better benchmarking.

156. We will continue to follow progress on this important work by calling for further evidence at appropriate times. We have asked to be advised of any training for elected politicians and will seek to participate in it where possible. We suggest that the NCPG should add its support to the development and extension of the SOLACE benchmarking project by encouraging its application in community planning and SOAs.

157. Paragraphs 66 to 72 of our Strand 2 Report dealt with the role of the regulators in relation to benchmarking and performance management. We urged all regulators to use the SOLACE data, consolidate it into their systems, and reduce the number of returns required from public bodies. We were pleased to learn the AC/AGS have endorsed the SOLACE project and are in discussions on how best to integrate it with their Key Performance Indicators.

158. We note however that SOLACE remains concerned about the burdens of external scrutiny and argues for a single Scottish regulator. SOLACE lists various potential benefits of such an approach including better, more cohesive advice to the Scottish Parliament. We have not had time to explore this proposal nor to consider the arguments carefully, but we recognise there is an issue to be addressed. We recognise that this issue may become more urgent if the Scottish public sector responds to the SOLACE benchmarking project properly as we expect. In that case, we face the danger that a wide range of benchmarking data and systems will start emerging, and be incorporated into the many regulatory frameworks that currently exist. Irrespective of the outcome of the debate on a possible single regulator for Scotland, it is vital that all new benchmarking work in the Scottish public sector is co-ordinated to ensure consistency with the SOLACE model.
159. This has been a wide-ranging and lengthy inquiry on a matter of vital import to the success of our public services in the coming years. We recognise that public bodies face external pressures and challenges such as new legislation, policy initiatives, and regulatory burdens.

160. Throughout our inquiry, we found widespread agreement that PSR and delivering on the Christie Commission’s recommendations is the way forward; indeed, it is the only way forward. It is critical if our public services are to play their full role in sustaining our society and economy. All must make better use of our diminishing resources.

161. Having concluded our inquiry, we will continue to take a close interest in how change progresses in the remainder of this session of the Parliament. We have already indicated we will take evidence on progress with Benchmarking in September 2013. We anticipate having a lead role in the scrutiny of any Community Empowerment and Renewal Bill and we will, as part of that work, look to hear from witnesses who gave us evidence during this inquiry.

162. We will continue to monitor the reform of CPPs, legislative or otherwise, and will play our role as a parliamentary committee in highlighting instances of best practice, as well as those areas of reform where we consider progress to be slow.

163. We expect to hear examples of the public sector becoming more customer orientated and to see increased partnership working taking place, including with communities. The Government’s forthcoming bill has the words community empowerment in its working title by design. It is up to our public services to start the process now and we look forward to receiving evidence next year which demonstrates that our public services have made significant strides and have not simply waited for legislation to arrive.
GLOSSARY OF TERMS

The following is a glossary of various terms used throughout this report.

(AC) Accounts Commission for Scotland: This is an executive non-departmental public body of the Scottish Government. The statutory role of the Accounts Commission for Scotland is to audit Scotland’s 32 unitary local authorities, and their associated agencies, and report its findings and recommendations to the Scottish Ministers. They, in turn, lay such reports before the Scottish Parliament. The AC consists of between 6 and 12 members appointed for a fixed term by the Scottish Ministers. The AC is headed by a Chairman who is appointed by the Scottish Ministers for a fixed term.

(ALEOs) Arm’s Length External Organisations: In the context of Scottish local government, the AC defines ALEOs as: companies, trusts and other bodies that are separate from a local authority but are subject to local authority control or influence. Control or influence can be through the council having representation on the board of the organisation, and/or through the council being a main funder or shareholder of the organisation. ALEOs can take many forms including companies limited by guarantee or shares, community enterprises, such as industrial and provident societies, trusts and Scottish Charitable Incorporated Organisations. Examples of the services they deliver include leisure, transportation, property development, and more recently, care services. ALEOs are often set up as non-profit making organisations such as charities to promote public benefit in areas such as health, education, recreation and equal opportunities.

(ASG) Auditor General for Scotland: the Auditor General for Scotland is the independent public auditor for most public spending in Scotland (similar to a Comptroller and Auditor General in other countries). The ASG is appointed by The Queen on the nomination of the Scottish Parliament, and has overall responsibility for the auditing of all public funds spent by those bodies and agencies funded by the Scottish Parliament (see Audit Scotland), with the exception of local government, which is audited by the AC. The ASG acts the Chief Executive Officer of Audit Scotland.

(AS) Audit Scotland: is a body corporate, an independent public body established by law. AS is Scotland’s independent public auditing agency and is responsible for providing the staffing, services and resources necessary to support both the AGS and the AC, to allow them to carry out their statutory duties. These includes responsible for auditing most of Scotland’s public organisations, such as the Scottish Government and its departments and agencies, police, local authorities and NHS Scotland.

(Christie Commission) The Commission on the Future Delivery of Public Services: Commonly referred to as the Christie Commission, (in reference to its chair, the late Dr Campbell Christie CBE, who was General Secretary of the Scottish Trades Union Congress from 1986 to 1998). The Commission was established by the Scottish Government in November 2012 to develop recommendations for the future delivery of public services in Scotland. The Commission completed its work and published its report on Wednesday 29 June
2011. The Commission’s recommendations form the basis for the Scottish Government’s strategy for the reform of public services in Scotland.\(^{55}\)

**Community Planning** Community planning is a process which is designed to help public agencies across Scotland to work together with local communities to plan and deliver better services which make a real difference to people’s lives. Scottish local authorities have a duty to initiate, maintain and facilitate the community planning process and Scottish Ministers have a duty to promote and encourage the use of community planning.

**Community Planning Partnership** CPPs are the principle structure by which community planning is facilitated in Scotland. CPPs are made up of public, private and third sector bodies including the local authority, health board, fire, police, enterprise agency and others. Initially established in the 1990s on a non-statutory basis, CPPs were placed on a statutory footing when the Scottish Parliament enacted the *Local Government in Scotland Act 2003*. There are currently 32 CPPs across Scotland (one for each local authority area). CPPs bring together the key public service agencies along with representatives from local communities and the voluntary sector etc (TSIs). The aim of CPPs is ensure people and communities are genuinely engaged in the decisions made on public services which affect them.

**Convention of Scottish Local Authorities** is the national association of Scotland’s 32 unitary local authorities and represents the agreed collective views and policies of councils across Scotland. COSLA also and acts as the employers' association for Scotland’s local authorities, negotiating the terms and conditions of employment for local government staff with the relevant trade unions etc.

**National Community Planning Group** The NCPG is an advisory group jointly established by the Scottish Government and COSLA in 2012. The purpose of NCPG is to provide the strategic leadership needed to drive the step change in community planning that has been set out in the Statement of Ambition for community planning agreed by COSLA and Scottish Government in March 2012. This statement followed a Scottish Government/COSLA review of the operation of CPPs and SOAs in the wake of the Christie Commission. The NCPG is currently chaired by Pat Watters CBE (former President of COSLA from 2001 to 2012).

**Non-departmental Public Body** NDPBs are public bodies of the Scottish Government and are funded by the Scottish Government. They include executive and advisory non-departmental public bodies; tribunals; and nationalised industries. Such bodies are different from executive agencies of the Scottish Government, as they are not considered to be part of the Government and their staff are not civil servants.

**Improvement Service** The Improvement Service was established in 2005 to help improve the efficiency, quality and accountability of local public services in Scotland by providing advice, consultancy and programme support to Scottish...

\(^{55}\) [http://www.scotland.gov.uk/About/Review/publicservicescommission](http://www.scotland.gov.uk/About/Review/publicservicescommission)
local authorities and their partners. A joint venture between the Scottish Government, COSLA and SOLACE, the purpose of IS is to assist Scottish local authorities, and their partners, to work together and reap the benefits that come from good partnership working; identify and share best practice from the public, private and voluntary sectors in the UK and internationally; provide learning and development opportunities to elected councillors, senior council management and staff, and promote the use of knowledge management within Scottish local authorities to support knowledge sharing, learning and business redesign.

(PSR) Public Services Reform: PSR is the general term used to describe the process of reforming and redesigning the services which the public sector provided to the people of Scotland. In the context of this report, and the current debate on the future of Scottish public services, the Christie Commission set out the following key objectives which the PSR process must achieve:

- ensure that public services are built around people and communities, their needs, aspirations, capacities and skills, and work to build up their autonomy and resilience;
- ensure that public service organisations work together effectively to achieve outcomes;
- ensure that public service organisations prioritise prevention, reducing inequalities and promoting equality; and
- ensure that all public services constantly seek to improve performance and reduce costs, and are open, transparent and accountable.

(SOA) Single Outcome Agreement: an SOA is an agreement between the Scottish Government and each of the 32 CPPs across Scotland. An SOA sets out how each CPP will work to achieve and deliver the Government’s 16 national outcomes in their local area. National outcomes are set out by the Scottish Government in its National Performance Framework.

(SOLACE Scotland) Society of Local Authority Chief Executives: SOLACE Scotland is the Scottish Branch of the Society of Local Authority Chief Executives and Senior Managers (UK). It is the representative body for Chief Executives and senior managers working within Scottish local government. While part of the UK-wide SOLACE organisation, SOLACE Scotland operates largely independently of the wider organisation.

(SG) Scottish Government: the devolved government of Scotland, established by the Scotland Act 1998. The SG includes all of the departments, and executive agencies and other bodies directly under the control of, and funded by the Scottish Ministers. The SG carry the executive functions of the devolved government of Scotland. The SG also has the duty for discharging certain executive functions within Scotland, the overall control for which is still reserved to the UK Government and UK Parliament.

56 http://www.scotland.gov.uk/About/Performance/scotPerforms/outcome
**SM** Scottish Ministers: the collective term for the ministers appointed by the Scottish Parliament to make up the devolved government of Scotland. This included the First Minister, Cabinet Secretaries (cabinet-level ministers), and Ministers (junior ministers). All ministers must be Members of the Scottish Parliament. The Scottish Ministers are collectively responsible to the Scottish Parliament for the devolved government of Scotland.

**SP** Scottish Parliament: the devolved legislature of Scotland. The Scottish Parliament is established by the Scotland Act 1998 and is empowered to make law for Scotland in devolved areas. The Parliament appoints the Scottish Ministers and holds them to account for the devolved government of Scotland. The Parliament consists of 129 Members of the Scottish Parliament (“MSPs”), directly elected for a fixed-term (currently every five years) by voters in Scotland.

**TSIs** Third Sector Interfaces: TSIs are designed to support, promote, develop and represent the third sector across Scotland (namely community groups; voluntary organisations; social enterprises and people involved in volunteering). TSIs form the primary connection between the CPPs and the third sector and each of the 32 local authority areas has a corresponding TSI. Voluntary Action Scotland acts as the umbrella body for Scotland’s network of TSIs.
ANNEX A: INITIAL CALL FOR WRITTEN EVIDENCE AT LAUNCH OF STRAND 1 (NOVEMBER 2011)

The Scottish Parliament’s Local Government and Regeneration Committee has today, Monday 19 December 2011, launched a call for written evidence from all interested parties on a three-strand inquiry under the overarching theme of public services reform and local government in Scotland.

These strands will each examine specific aspects of public services reform as they relate to local government in Scotland. The overall remit and objectives for the individual strands are set out below.

Organisations and individuals are invited to submit written evidence to the Committee in relation to the overall remit, or to any or all of the individual strands. Those submitting evidence should feel free to address the issues in whatever manner they prefer, but it would be appreciated if they could attempt to address the questions set out under each strand, wherever possible.

Public services reform and local government: overall remit
To examine, reflect on and report on the current situation in relation to public sector reform as it affects local government in Scotland and its delivery partners.

Objectives for the three short inquiries
Strand 1 – Partnerships and outcomes
To examine the ongoing development of community planning partnerships and the community planning process and assess how these could be built upon to support outcome-based approaches to service planning and delivery in local areas.

Key questions for this Strand of the inquiry:
- How could local authorities 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?
- How can local authorities and their partners move further towards real, integrated working?
- What steps would facilitate the sharing of budgets in pursuit of shared outcomes?
- How can the 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?
- How can the community planning arrangements be adapted and developed to promote outcomes-based and preventative approaches?
- How is the work of delivery on SOA outcomes managed, coordinated and driven through the various community partnership structures and agreements? How could Single Outcome Agreements be improved to deliver on community planning targets?
- What is the purpose of a Single Outcome Agreement in assisting the delivery of improved outcomes? How are local Single Outcome Agreements developed, and how do they relate to national priorities?
How could local authorities and other public bodies contribute more to influencing and improving outcomes in their area?
How can arrangements, processes and accountability be improved?

Strand 2 – Benchmarking and performance measurement
To examine the development of work that has taken place over the last two years in relation to the development of benchmarking and comparative performance data and cost measurement and assess how it can contribute to the performance of local authorities in Scotland.

Key questions for this Strand of the inquiry:
- What are the main challenges (cultural, technical, geographical or other) in developing performance measurement and benchmarking systems for local authorities across Scotland?
- To what extent has the work undertaken over the last two years by the Improvement Service, SOLACE and others contributed to developing a common approach to benchmarking across Scotland’s local authorities?
- What technical or other resources are needed to continue and complete the development of recent work on benchmarking?
- To what extent can the developing work on benchmarking be extended across community planning partnerships? How can data derived from benchmarking influence the future direction of community planning and the contents of future SOAs?
- How can the development of benchmarking help improve the performance of local authorities in Scotland?
- Should the Scottish Government have a role in providing national impetus to the development of benchmarking and performance measurement?

Strand 3 – Developing new ways of delivering services
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.

Key questions for this Strand of the inquiry:
- 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?
- 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?
- How can any legislative or institutional barriers to developing shared and innovative service delivery models to their full potential be overcome?
- Is there scope for further national shared services along the lines of the shared recruitment portal for local authorities, ‘myjobscotland’?
- What can be learned from elsewhere, for example from initiatives such as the Nottingham Early Intervention City or the Birmingham total place pilot?
- How can innovative delivery methods for services and collaborative arrangements (as mentioned, for example, in the Christie Commission
help to improve outcomes and tackle embedded social problems focused in defined geographical areas?

- What scope is there for developing ways of delivering services, such as the personalisation of care, in order to mitigate the effects of shrinking resources while also promoting improved standards of care?
ANNEX B: STRAND 3 CALL FOR EVIDENCE

The Scottish Parliament’s Local Government and Regeneration Committee launched a call for written evidence on Strand 3 of its inquiry into public services reform on 9 November 2012. This is the third and final strand of its public services reform inquiry and focuses on developing new ways of delivering services.

The remit of the inquiry is—
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.

As the final Strand of the inquiry this also provides an opportunity for the Committee to reflect on the earlier strands, as well as focusing on developing new ways of delivering services.

Organisations and individuals are invited to submit written evidence to the Committee setting out their views and experiences on the development of new ways of delivering services.

Committee’s call for evidence
The Committee invites all interested parties to submit written evidence. It would be helpful if written submissions could address the following questions:

- What are local authorities doing or considering doing in terms of alternative delivery methods? What has worked and what hasn’t? What savings have been achieved from adopting alternative delivery methods? What support is being provided by the Government in driving change?
- How are opportunities for sharing services being identified?
- What is hindering moves toward developing shared and innovative service delivery models? In areas where moves to alternative service delivery models are not being pursued, what efforts are being made to standardise, streamline and simplify existing methods of delivery?
- How are the tensions between potential savings and possible job losses being resolved?
- What legislative barriers are there to developing shared and innovative service delivery models to their full potential?
- In what areas is there scope for national shared services along the lines of the shared recruitment portal for local authorities, ‘myjobscotland’?
- What has been learned from elsewhere, for example Nottingham Early Intervention City or Birmingham total place initiative?
- In what ways can innovative delivery methods and collaborative arrangements (as mentioned, for example, in the Christie Commission report) help to improve outcomes and tackle embedded social problems?
- In what ways are CPPs being involved in driving the move toward new service delivery methods? What is hampering their involvement and how can it be overcome?
ANNEX C: COMMITTEE VISIT TO SOUTH AYRSHIRE

Introduction

During the Committee’s visit to South Ayrshire on 15 April 2013, a community engagement event was undertaken with representatives of community organisations for across the wider Ayrshire area. This took place at the University of the West of Scotland’s Ayr Campus, in Ayr. Attendees were divided into four workshop groups in order to discuss their views of public services reform and engagement with community planning.

The notes of these workshop sessions are not intended to be an exhaustive account of every aspect of those discussions. Rather they are an attempt to capture the main points which arose, especially those relevant to the Committee’s wider consideration of both regeneration policy and community empowerment.

Attendees

The following people attended the community engagement event:

- Alan Murray - The Carrick Centre;
- Alex Kelly - Carrick Crime Prevention Panel;
- Andrew McClung - Chair north Ayrshire Community Council;
- Andrew Sinclair – South Carrick Community Leisure;
- Archie Lusk - Mossblown & St Quivox Community Council;
- Barbara Mulligan - Glendoune Community Association;
- Bill Logan - Girvan Youth Trust;
- Chris Savage - Cassillis and Culzean Estates;
- Colette McGarva - South Ayrshire Council;
- David Kiltie – Maybole Pathfinder Project;
- Derek Hart - Prestwick North Community Council etc;
- Elaine Stewart - The Zone Initiative Limited;
- Finnola Fisher - Kincaidston Action Group;
- Gus Collins - South Ayrshire Council;
- Helena Menhinik – Carrick Activity Centre, Dailly;
- Jackie Lennon - North Wallacetoun Tenants and Residents Association;
- Jim Thomson - Link officer South Ayrshire Council;
- Joe Lafferty - Community Representative (Wallacetoun and Newton Regeneration Forum);
- John Scott MSP – Member of the Scottish Parliament for Ayr;
- Ken Johnstone - Girvan and District Community Council;
- Laura Kerr - South Ayrshire Council;
- Liz White - Prestwick Community Council;
- Lorraine Cord - South Ayrshire Council;
- Lynn Anderson - Voluntary Action South Ayrshire;
• Madeline Crawford - Community Energy Scotland;
• Maria McGough - South Ayrshire Youth Forum;
• Marie McNulty - Pinwherry and Pinmore Community Council;
• Marie Oliver - Voluntary Action South Ayrshire;
• Mhairi McKenna - Ballantrae Community Council;
• Michael Connell - Maybole Community Council;
• Miss Margaret Grogan - Newton and Heathfield Community Council;
• Mrs Les Anderson - South Ayrshire Seniors Forum;
• Mrs P. Heasman - Newton and Heathfield Community Council;
• Nan Campbell - Deputy Head Braehead Primary School;
• Pauline Komiski - Living with Leisure;
• Pauline Mackie - North Wallacetoun Tenants and Residents Association
• Peter Mason – Maybole Pathfinder Project;
• Peter Walker - Pinwherry and Pinmore Community Council and Chair of the 2 Pins Community Company;
• Rose McKight - Belmont, Kincaidston and St Leonards Community Council;
• Sheila A. Wyllie - Newton and Heathfield Community Council;
• Stewart Graham - North Ayr Community Council/ Lochside Neighbourhood Group/Access to employment;
• Stuart Lindsay – Ailsa Horizons (economic development thematic group).
Notes of Workshop Sessions No 1 with Community Groups

MSP Chair – John Pentland
Scribe – Allan Campbell

The main points from the group’s discussion were as follows—

- There was a general consensus that there was a high degree of what is perceived as “waste” in public services in South Ayrshire, with participants questioning whether all departments of the Council were sufficiently “joined-up”. A specific example of community transport was mentioned, where multiple departments have responsibility for the issue but there being no co-ordination between them. Despite this, the group agreed that in general, people did not care who delivers public services, as long as the services were of a good standard.

- The availability of good quality, affordable housing was seen as a key issue in the area, especially in light of the UK Government’s so-called “bedroom tax” proposals – there is a severe lack of 1 bedroom houses in the South Ayrshire Council area, with long waiting lists. Related to this, participants also mentioned a change in arrangements at the Prestwick housing office as having a negative impact on residents (now a lack of private rooms for interviews, minimal security). Residents now feel that this is not a serious council office and that the Council “don’t want Prestwick to exist”, citing other examples of where Prestwick was last to get anything, including new seagull bins, which cost £300 each.

- There was also a detailed discussion of the health service provided by NHS Ayrshire and Arran, which was said to provide a very disjointed service for patients. There was also criticism of the Community Health Partnership, which again was said to be not joined-up, especially related to home adaptations for returning patients.

- The group also discussed the problem of ring-fencing of certain funds, especially related to transport projects. However, it was not clear where the ring-fence came from – whether it was central government, local government, or an agency like Transport Scotland.

- The fact that the council no longer has a “clerk of works” (someone to check the standard of repairs etc done on behalf of the council) was seen as a serious problem and that self-regulation “doesn’t work”. In terms of repairs, the group spoke about the difficulty for council tenants to get upgrades, rather than simple “like for like” repairs. There was also a discussion on issues related to buildings with multiple types of residents (i.e. council tenants/owner-occupiers and private tenants). There was a suggestion that factoring should be built into local authority lets.
• Despite general concerns expressed related to housing, there were some examples of good practice in the area, with the Riverside flats being a particular success. However, the group noted that this was not the case in other areas with high rise council flats. The Riverside flats’ proximity to amenities was seen as key to their success.

• The group also discussed the impact on the town centres in the area from out of town shopping areas, both in Ayrshire and in Glasgow. The point was made that while, for years, residents had pushed for better road links to Glasgow, now that these were in place, people were going to the south side of Glasgow to shop, taking money out of the local economy.

• There was also a discussion around the local CPP and the SOA. In South Ayrshire there are three community representatives on the board of the CPP, and on the theme groups, who take an active role in challenging and questioning the public bodies on the CPP. However, the analogy was made comparing the work of the CPP and the use of the SOA to “giving someone a new car, but not giving them the key.”

• Obtaining funding for small community projects was also noted as being difficult, and that even getting a £1000 grant was challenging, with a lot of paperwork involved.
Notes of Workshop Sessions No 2 with Community Groups

MSP Chair – Stewart Stevenson
Scribe – David Cullum

The main points from the group’s discussion were as follows—

Transport and Physical Access
- A number of specific access issues were identified in the area, a number of which it was suggested breached the requirements of the DDA.
- General indication that older people don’t like to complain and when they do have difficulty in identifying who is responsible within the council/relevant body. General unease at lack of follow up information.
- Closure of Shopmobility in Ayr when council funding was removed restricts access for those coming by bus (length of walk to shops) and as a consequence many older people do not go to Ayr.

Councils, Community Councils and Councillors
- Suggestion that CC’s do not think laterally
- Quicker to reach a local MSP than try to get council involved, no one stop shop, calls and correspondence repeatedly passed around departments. Impression of internal territorial disputes. Link officers do assist between council and CC’s but numbers low and falling.
- Should be more pro-active visits to groups in communities, listening to what they say and enlist their support. A dedicated worker in each community would assist with this and could act on behalf of and with all organisations who work in the communities. South Ayrshire Council (SAC) have moved away from this role.
- Need individual advocacy support to support people to raise complaints.

Schools
- Large budget cuts requiring severe prioritisation decisions. Transport costs swallow large chunk budgets. Deprivation money for certain schools no longer available. The Fairer Scotland Fund replaced this but does not involve communities in decision making. Early intervention work scrapped including support workers.
- H&S restrictions have closed access to kitchen except for catering contractors leading to closure breakfast club (which was set up with funding from CC)
- No longer community workers based in schools, was a great scheme and left a large gap.

CPPs
- Set up is top down instead of bottom up. Most people know nothing about them.
- Third Sector Interface Organisations a waste of space as linked to small groups. Get plenty money and also duplicate work of some voluntary group services.
Empowerment
- Is more than empowering communities to run buildings, is about people being listened too, voices heard and having some influence over decision making.
- Real consultation is time consuming and complex and is what the committee are doing.

Capacity Building
- Should be about bringing in volunteers to assist not about creating constitutions and processes.
- Volunteer Action Scotland Ayrshire provides practical assistance, building relationships and gathering up positive unintended consequences.
- There are not enough people to support capacity building, not enough for community councils. Groups should not have to spend lengthy time on budgeting etc but encouraged to contribute and make decisions over spending.

Care for the Elderly
- This should not be about making a profit, should be about the quality and service provided.
- Private providers are not delivering the service contracted for and are not subject to proper oversight by the council.
- Council good, private bad. The philosophy and ethos is quite different with one being driven solely by profit.
- Changes in support has been ongoing for a number of years, it is not new.
MSP Chair – Stuart McMillan
Scribe – Jonathan Orr

In essence, the community reps called for improved communication, consultation and collaboration.

**Key points**

Council communication to community groups is poor, with community council reps seemingly unaware of all the services that the council provides and what assistance it can offer. It would be helpful if the council could prepare a pack with relevant information and contact numbers. Furthermore, the council needs to inform not only community councils and action groups about its services and what assistance it can offer, but to consult them on decision making.

**Consultation**

Consultation processes were seen to be inadequate and, at times, tokenistic. Some felt that the council was treating consultation as a box-ticking exercise to allow it to report back to the Government that it had received local consent on intended changes when in fact no genuine grass roots engagement have been carried out. In effect, local groups were being asked to rubber stamp proposals. Furthermore, disillusionment is on the rise because although concerns are noted, no action is taken. There was general agreement that groups must be consulted at the planning stage and not have changes enforced on them. Local problems require local solutions. Councillors must ensure that services are area specific. Therefore, community-based models are required.

Community councils are overloaded with information from the council – to such an extent that some groups are using almost a FTE to disseminate it. Concern was expressed that they are taking on the role of a council information officer and carrying out what should be a council duty. That might mean that a job was either being lost or not created, which was particularly worrisome during the economic downturn.

The voluntary sector needs the council and vice versa. Greater partnership is required at all levels, particularly given that potential funding organisations often seek council endorsement as a prerequisite.

Funding process overly bureaucratic and applications are often complicated and questions ambiguous. Most frustrating is that, although funding is available, many organisations do not have the capacity to manage the administrative burden and therefore they do not apply. In addition, some groups are unable to access Big Lottery Fund because they do not meet length of lease criterion.

Too much is being asked of the third sector - there are too many issues to deal with and it is not possible to focus on them all and resources are spread too thin. Some people are overstretched and, by being pushed to their limits, they are
becoming burnt out. In some cases, groups have tried and failed to get young people involved. Although initially enthusiastic, they do not last the course. Some groups could not function were it not for the input and commitment from retired volunteers, while others are losing helpers because they are being asked to do too much.

Campaigning against wind farms is the latest cause célèbre, but that is distracting community councils from concentrating on other needs, such as how best to improve health services.

Council should disseminate information on what training is available. A training network could be created, which would allow groups to discuss what issues they are facing and to learn from others’ experience. A programme of shared training across community groups could also be initiated. That would ensure that at least a couple of people had skills in specific areas – in food hygiene, for example.

An annual council-led community planning conference is held in October to which the voluntary sector is invited. Some considered that to be insufficient to meet needs. It was also mentioned that the busiest time for council community groups is between April and Autumn, so they would be better served if that took place/information was disseminated earlier.

Insufficient resources provided by the council. Examples included poor transport infrastructure and services, insufficient litter bins, and the poor state of pavements - which has led to an increase in accidents - and the changes to the chiropody services

Greater linkages between groups needed.

The local authority perspective

Gus Collins, a staff office from South Ayrshire Council, gave his perspective.

He mentioned:

- The council, Voluntary Action South Ayrshire and the health board are considering how to reshape care services for the elderly. Separately, VASA have attended a meeting on chiropody services and can advise local groups

- The council works hard to provide appropriate community transport. The relatively new Kyle transport service is an example of the action that it is taking

- He suggested that there was need to analyse litter, so that education could be targeted accordingly. He cited a case study in which a 14-year-old boy had approached the council about litter problems outside a fish and chip shop in Girvan. Given that that is the main stopping point for coaches coming off the ferries, he was concerned about how that would affect
people’s first impressions of the town. The council has tackled the matter and are aware of the need to educate staff about when bins need to be checked and uplifted

- Some areas have area-based forums, which meet monthly, and give local people the opportunity to discuss services
- The council has worked with local schools on an art competition, which helped to improve engagement with parents
- There is a need for better engagement with local groups on service level agreements
- Local groups receive a community handbook.
MSP Chair – Margaret Mitchell  
Scribe – Fiona Mullen  

This group initiated discussion by explaining what their various bodies and organisations represent and what they do.  

The main points from the group’s discussion were as follows—  

- Local authority owned and managed public services/assets are not necessarily made the best use of, in that there is often a lack of investment and in particular a lack of marketing, so the service/asset is not being marketed effectively to be used by local people, or is perhaps not providing the most appropriate or relevant services local people need in the area.  

- Several local examples of community led public services were discussed, where the community had decided to ‘take it on’ and convert the service/asset into something more useful to local people.  

- One of the problems faced by community groups and representatives in trying to be involved in the ownership and running of local public assets is having to deal with so many different local authority departments, where at times the departments do not communicate with each other (an example was given of having to deal with 5 different departments for one project). It was suggested that it would be easier for community representatives to work with the local authority through a ‘liaison officer’ acting as a ‘one-stop shop’, with a single point of contact and someone taking overall responsibility for the project. Knowledge transfer is needed when there are changes to staff in local authorities too.  

- Some concern was also raised about public assets and premises falling into disrepair and then being handed over to communities once run down (or under threat of closure).  

- It was suggested that local authorities know these public assets are becoming run down or are under threat and that they should work more closely with communities, involving and consulting with communities much earlier, ahead of this situation arising.  

- Use of the ‘Fairer Scotland Fund’ and LEADER funding to support community projects was discussed. A number of the community representatives around the table had not heard of the Fairer Scotland fund before.  

- A perceived issue with LEADER funding was raised, in that whilst the funding itself is welcomed, money has to be spent before LEADER funding is given, making it more difficult to access for community groups who may need up-front funding. It was also suggested that rules around access to LEADER funding can change, so communities hoping to access LEADER funding spend the money on a ‘project’ and then don’t get it back as the project is no longer viable following LEADER rule changes.
• Comment on Community Planning Partnerships (CPPs) were made that it is a ‘top down’ approach that does not add value, and is too distant from the community, as well as from ‘on the ground’ staff in local authorities for example.

• Some of the representatives around the table were not aware what a ‘CPP’ was, and didn’t feel that it affected them. One representative pointed out that the third sector interface between the community and the local CPP was Voluntary Action South Ayrshire (VASA) – whose meetings with communities deliberately mirrored CPP meetings, in order for VASA to effectively contribute to the local CPP and represent community views. Another representative however stated that social enterprises are not represented on their CPP, so have no influence yet are creating jobs and opportunities in the local area.

• When asked about generating income, representatives explained that it often involves fundraising and applying for various grants, which means always chasing funding from a variety of different places for different amounts, with different sources of funding having different, and often complex or restricting rules to be able to access them. One representative stated (and others around the table agreed) that ‘The vast majority of us involved in community work are volunteers – we don’t have the time to try to chase funds from a variety of different sources’.

• How do community and voluntary groups let local people and each other ‘know they are here’ and communicate effectively. An example was given in South Ayrshire of Maybole, where it had been established through a ‘life expectancy’ local authority/community project in the area, that there were over 80 organisations in Maybole all working separately.

• Community councils, and a desire for the Scottish Government to further empower community councils, was also discussed. It was explained that there is a huge amount of secretarial support required for the administration of community councils, and that the ‘blue book’ for community councils was out of date (e.g. in terms of planning regulations) which causes problems over the ways in which a community council can operate/act.

• Discussion around the centralisation of services and procurement also took place. It was felt that there is a tendency to centralise things, and local people are not getting to provide local services, for example in rural areas, as they are unable to go through the required local authority procurement processes. It was deemed that this was an inefficient way to provide public services, as local people could provide the service cheaper and quicker than going through the council and potentially lengthy procurement processes. Examples of filling potholes, clearing seaweed, or ‘three quotes needed to get a plug changed!’ were given.

• It was suggested that local ‘Clerks of Works’ would be a good solution to supporting local maintenance and development work in communities

• To summarise, it was agreed around the table that there was good evidence of partnership working in the area, but there is still room for improvement and better co-ordination.
INFORMATION FLYER CIRCULATED TO COMMUNITY REPRESENTATIVES IN SOUTH AYRSHIRE ADVERTISING THE COMMITTEE’S VISIT AND COMMUNITY ENGAGEMENT EVENT ON 15 APRIL 2013.

The Local Government and Regeneration Committee of the Scottish Parliament need your help with an ongoing inquiry. We want to hear how you are affected by local services and what you want from them. We know that changes are inevitable but we are asking for you to help us understand what local communities expect from local public services. We wish to invite you to a meeting with the Committee:

**Date:** Monday 15th April 2013  
**Time:** 11.45am – 1.30pm  
**Venue:** University of the West of Scotland  
Ayr Campus  
University Avenue  
Ayr KA8 0SX

We know there is pressure on resources and we want to see how local authorities and others are coping and reacting and whether they are delivering the best possible quality services in local areas. Are they doing what you want? We want to listen to local people.

We are keen to learn about peoples’ experiences of the public services they use, good or bad. We would like to hear directly from local community groups (including community councils), third-sector organisations, charities and individuals from across South Ayrshire. As an indication, we are interested in the following matters:

- Delivery of public services (such as social and health services, police and fire services, children’s services, housing, waste management etc) – issues such as:

  1. Are you getting what you need, in the right way? If not, why not?  
  2. Are the quality of services being maintained?  
  3. Can you suggest changes to the ways in which services are delivered that would improve them for you?

As we look into this we are also thinking about how the forthcoming Community Empowerment and Renewal Bill could help:

- Do you have any contact with Community Planning Partnerships (CPPs) and if so how well does that allow you to get your views across?  
- Any involvement you have, or would like to have, with community empowerment, community asset transfer and right to buy?

The meeting is open to anyone who wishes to meet with MSPs on the Committee and help us. Immediately following this meeting the Committee will be holding a public evidence taking session at the University. This meeting will take evidence, on the record, from CPP representatives in South Ayrshire. Your input and
engagement with MSPs on the morning of 15 April will assist this evidence taking session.

The afternoon evidence taking session will last from 2pm – 4.15pm on 15 April. Everybody attending the morning meeting is welcome to stay to watch the afternoon session.
ANNEX D: REQUEST FOR INFORMATION FROM LOCAL AUTHORITIES ON THEIR SAVINGS PLANS

Dear Chief Executive

As you will be aware, the Local Government and Regeneration Committee is currently pursuing Strand 3 of its inquiry examining the reform of public services. This Strand is looking specifically at developing new ways of delivering services. As part of this work, and to inform its future budget scrutiny, the Committee is interested in scrutinising the different approaches that local authorities have taken to both short and long term budget planning since late 2009, when local authorities, COSLA and the Scottish Government began joint planning for future budget reductions.

It would therefore be extremely helpful to the Committee’s scrutiny if you could respond to the questions below—

1. Can you describe the approach that your local authority has taken to both short-term and long-term budget planning since the onset of the financial crisis? For example, has your local authority taken a “zero-based” approach, or has it set out a range of options for savings? Please supply any relevant supporting documentation, for example copies of any budget planning exercises etc.

2. Can you describe the consultation that your local authority undertook on your budget plans, both with stakeholders, and the general public?

3. How have the outcomes of your consultation fed into and influenced your budget plans?

4. What involvement has there been from external consultants/advisers in your budget planning, and what influence has this involvement had on your final plans?

Please note that this exercise is separate to the general call for evidence on the Committee’s inquiry.

All responses will be analysed by the Financial Scrutiny Unit (FSU) in the Scottish Parliament Information Centre (SPICe) and responses should therefore be sent directly to Allan Campbell, senior researcher in the FSU, at: allan.campbell@scottish.parliament.uk by Tuesday 5 March 2013.

Yours sincerely
Kevin Stewart MSP, Convener
Local Government and Regeneration Committee

ANNEX E: LIST OF ACTIONS/RECOMMENDATIONS FROM ALL THREE STRANDS OF THE PUBLIC SERVICES REFORM INQUIRY

Strand 1 Recommendations - from the Local Government and Regeneration Committee’s 8th Report, 2012 (Session 4): Public Services Reform and Local Government - Strand 1: Partnerships and Outcomes (SP Paper 170)

Community planning partnerships

(Paragraph 55) The Committee recognises that the ambitions for community planning partnerships have not been fully realised. Moreover, the Committee recognises that there remain barriers to improving the efficacy of community planning partnerships and will explore these in the next section of the report. In the meantime, however, the Committee notes that on the basis of all the evidence received, CPPs have been a qualified success.

Integration and effective partnership work

Cultural challenges

(Paragraph 76) It was clear to the Committee, however, from the evidence it received that the cultural challenges pose the greatest test to partnership work and in turn the effectiveness of CPPs. Bodies, and individuals within those bodies, who are unwilling to break out of a silo mentality and work with other bodies to deliver shared outcomes through the sharing of resources and information, evidently present a considerable, if not insurmountable, challenge to effective partnership work.

(Paragraph 79) The Committee notes these concerns and recognises that where individuals within an organisation are not bought into the importance of partnership work, it will be challenging to get them to engage with this process.

(Paragraph 83) The Committee welcomes the Minister’s commitment to provide guidance to CPPs on how they may operate as a way to seek to overcome some of these cultural barriers.

(Paragraph 84) The Committee, however, recognises the concerns expressed by some of those who gave evidence that CPPs and SOAs must not become an end in themselves or be seen simply as another box to be ticked in the planning and delivery of public services.

Sharing good practice

(Paragraph 88) The Committee welcomes the Minister’s suggestion. There are very good examples of partnership work and it is important that there is a wider appreciation of what is being done and what can be done by CPPs. The

58 http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/52480.aspx
Committee agrees with the Minister that bodies such as the Improvement Service should be disseminating good practice where it exists. The Committee also believes that there should be more innovative approaches to sharing of best practice and invites the Scottish Government to consider this when providing guidance to CPPs.

**Leadership**

(Paragraph 96) The Committee considers that leadership and vision are critical to effective partnership working as well as to effecting a radical change culture to the way partners engage in community planning. For CPPs to be effective, there is, in the opinion of the Committee, a need for strong leadership – at all levels in the organisation, but particularly at the senior management and political leadership levels – across the partners in CPPs as well as a willingness to work collaboratively. The importance of a shared and clear vision is also critical to ensuring that there is buy-in to the aims and work of the CPP.

(Paragraph 97) The Committee finds considerable merit in the suggestion to incorporate commitment to partnership working into performance appraisal, so as to measure the performance of staff in relation to partnership work. The Committee invites the Scottish Government to consider this proposal when drawing together guidance for CPPs.

**Information sharing**

(Paragraph 102) The Committee recognises the value of data sharing in encouraging closer partnership work and delivering improved outcomes. The Committee saw the benefits of information sharing in its visits to Kelso and Livingston. As before, where there are good examples of data sharing, this information should be disseminated more widely. The Committee recognises that there exists a risk averse attitude in many areas of the public sector as regards data sharing. At the same time, the Committee appreciates that it is not always possible or clear what information may be shared. The Committee invites the Scottish Government, in the guidance it is producing for CPPs, to provide greater clarity on what information can or should be shared, and where possible, to encourage greater sharing of information. In producing guidance on information sharing, the Committee recommends that the Scottish Government work closely with the Scottish Information Commissioner and consider promoting formal sharing agreements between partners.

**Co-location**

(Paragraph 107) The Committee recognises the benefits of co-location and notes that it has led to closer partnership work in some areas. The Committee considers that although co-location is not essential for partnership work, where it is appropriate, it can foster partnership work. The Committee recognises that where a history of partnership work does not exist, or where it is an option because of new office or services bases or units
(Paragraph 110) Like Dr Farquharson, the Committee was not persuaded that the complexity of a CPP was a barrier to integration. CPPs are bodies involving a variety of different bodies, working together to deliver on an array of outcomes. As such, the Committee is of the opinion that CPPs are necessarily complex.

**Budget sharing**

(Paragraph 122) The Committee echoes the sentiments expressed by the Minister about the importance of partners committing sufficient resources to CPPs. Whilst the Committee is not convinced that for effective partnership working there is always a need for budget sharing, it recognises that in some instances this may be one way of achieving effective partnership working.

(Paragraph 123) The Committee recognises that budget arrangements alone cannot affect the cultural change required to engender real partnership work.

(Paragraph 124) **That said, it will go some way to engendering a culture of partnership work if senior individuals within the partners making up the CPPs empower individuals at the right levels within the partners to commit resources, financial or otherwise, to ensure partnership work.**

**Engaging third sector**

(Paragraph 135) The Committee believes that the involvement of all partners is important to CPPs in operating as effectively as possible, by drawing on all resources available to them. Third sector involvement is, in the opinion of the Committee, of considerable value. The Committee appreciates the challenges of engaging with a disparate and amorphous third sector and welcomes the work undertaken in Glasgow to develop a third sector forum to make it easier for bodies to engage with the third sector.

(Paragraph 136) The Committee considers that given the third sector’s role as a conduit for the views of communities as well as a service provider, the third sector should have an appropriate voice in CPPs.

**Engaging communities**

(Paragraph 145) The Committee considers that more effective community engagement is an essential element to improving the operation of CPPs and the outcomes they help to deliver. Understanding what communities require and seeking their involvement in designing the services to be delivered at the earliest possible stage ensures community buy-in and an assurance that what is being delivered responds to the communities’ needs.

(Paragraph 152) The Committee recognises that MSPs cannot be involved with CPPs on a day to day basis, but considers that there should be a greater opportunity for MSPs to engage with CPPs. The Committee considers that there may be merit in the papers for CPP Board meetings being provided to MSPs, so as to keep them informed of the work being undertaken by the CPP and enable them to engage where relevant. The Committee also considers that there may be
merit in annual or biannual meetings of the CPP to which MSPs are invited to attend. The Committee invites the Scottish Government to consider these suggestions in the course of preparing guidance for CPPs.

**Accountability and responsibility for CPPs**

(Paragraph 155) The Committee notes the concerns raised about the accountability of CPPs. The Committee considers that for CPPs to be effective there must be a greater sense of shared responsibility amongst partners. To that end, there must be improved accountability for CPPs and the contribution of partners to the outcomes of CPPs.

**Duty of community planning**

(Paragraph 161) The Committee believes that for CPPs to be effective there needs to be a greater sense of shared responsibility amongst partners for their operation. The Committee considers that extending the duty of community planning to other public sector partners could engender this shared sense of responsibility and in turn improve the effectiveness of CPPs. The Committee welcomes the Minister’s indication that the Scottish Government is considering extending the duty in this way.

(Paragraph 164) The Committee notes the concerns that CPPs are weighted too much in favour of local authorities and considers that it is critical for effective partnership work that there is an equality of responsibility amongst partners and the balance is not weighted too heavily toward the local authority.

(Paragraph 165) The Committee considers that there is merit in the suggestion to have an independent chair of the CPP and invites the Scottish Government to consider this suggestion further when producing its guidance for CPPs.

**Incorporation**

(Paragraph 172) It would appear to the Committee that incorporation offers little additional value in terms of the accountability and operation of a CPP. The Committee further notes the lack of enthusiasm amongst existing CPPs for incorporation. In order for a CPP to incorporate, it would appear that there would need to be agreement amongst partners to do so. Where that agreement exists, it would seem to the Committee that there is already a level of partnership work and joint vision and as such, incorporation would seem unnecessary, particularly given the significant increase in bureaucracy it would create. With these points in mind, the Committee does not at the moment see a strong argument for incorporation.

**Accountability**

(Paragraph 175) The Committee welcomes the work being undertaken by the Accounts Commission. For CPPs to be more accountable and to improve partnership work and the outcomes they deliver, it is vital that the integrated work of a CPP can be evaluated rather than simply the work of its constituent parts in isolation. The Committee looks forward to seeing the outcome of the work being
developed by Audit Scotland in due course. The Committee recognises, however, improving accountability and evaluation will not alone ensure the effective operation of CPPs.

Preventative Spending

(Paragraph 192) The Committee supports the shift toward a preventative spending approach. The Committee recognises that moving toward this approach is challenging and will involve making decisions that will not necessarily be welcomed in the short term. The Committee welcomes the Scottish Government’s investment in terms of change funds.

(Paragraph 193) In welcoming change funds, however, the Committee stresses that the move to a preventative spending and early intervention must occur in mainstream services for there to be real change in approach to the delivery of services and must not be reliant on change funds.

Future challenges

(Paragraph 202) The evidence presented to the Committee reflected the view that rather than impacting negatively on partnership work, the move to single services could offer an opportunity to enhance partnership work. Whether this entrenchment of partnership working comes to pass, is yet to be seen, however, the Committee is assured by the evidence presented to it, that it will be prioritised.

(Paragraph 206) As in relation to the move to a single police and single fire service, the Committee considers that this could enhance rather than detract from partnership work.

Single Outcome Agreements

(Paragraph 220) The Committee recognises that moving toward a more long-term, outcome based approach is challenging. The Committee recognises that to date, there has continued to be a focus on inputs rather than outputs. However, there appears to be consensus across political parties and policy-makers that the outcomes-based approach, coupled with the move towards preventative spending, is essential if long-standing social problems are to be addressed. The Committee considers, therefore, that the efforts that have been made in this respect over the recent years must be sustained and developed in future years. In this regard, the Committee welcomes and supports the Minister for Local Government and Planning’s statement of expectations for the new council administrations.

(Paragraph 225) The Committee considers that to have effective and deliverable outcomes, it is essential that there is engagement with all partners, including local communities, in their shaping. The Committee notes that some local authorities have undertaken this kind of engagement and commends their efforts. The Committee considers it essential that all local authorities and their partners develop effective ways of engaging with their communities. However, the Committee also recognises that, although it is easy to talk about engagement, it is much harder to carry out in practice. Specific skills are required to engage effectively and these may not always exist within the staff responsible for
developing SOAs. The skills may need to be developed internally or bought in – either way there is a resource implication. In some councils, some of the skills required might be available in the staff of some council services – perhaps this presents a challenge to local authorities to find ways of developing cross-cutting ways of working that enable skills in one part of the organisation to be used in other parts in relation to public engagement.

(Paragraph 226) Although this issue is perhaps peripheral to the main thrust of this Strand of the Committee’s inquiry, it is central to the future development of SOAs. There may be a need for funding to be made available to support the development of skills and other resources to support the engagement process in local authorities and their partners, and the Committee invites the Scottish Government to consider how it can support the development of better engagement.

(Paragraph 235) The Committee recognises that there is a potentially difficult balance to be struck between meeting local and national priorities. The Committee recognises this challenge, but believes that although some local authorities will have different local priorities from others, as a result of local circumstances, and political and ideological differences might mean that some local authorities will have differing perspectives in relation to national priorities, with goodwill it should be possible to reach a balanced position that enables local authorities and their partners to devote appropriate levels of effort and resource towards locally determined priorities while still contributing significantly, on a local basis, to nationally determined ones.

(Paragraph 239) The Committee agrees with Aberlour Child Care Trust that for outcomes to be genuinely effective, the outcomes the CPP has sought to pursue must be reflected in the spending decisions.

(Paragraph 245) The Committee recognises that there are challenges to achieving the targets set out in SOAs in terms of accountability and meeting different priorities. The Committee notes, however, the sentiments expressed by the two NHS boards from which the Committee took evidence, and considers that overcoming these challenges is possible. Outcomes should not be locally authority centric and should be relevant to all partners. The Committee believes that the imposition of a duty of community planning on all public sector partners could promote a greater commitment to SOAs and this will assist in overcoming these challenges.

**Accountability for performance**

(Paragraph 252) The Committee considers that for Single Outcome Agreements to be meaningful, there must be rigorous and robust procedures to measure the performance of the local authority and its partners, involving outside, independent scrutiny and regulatory bodies where appropriate, in addition to the political accountability that is established through scrutiny by the council’s elected members. There must also be clarity about who is accountable for performance in relation to the contents of the SOA. It is important that everyone understands where the buck stops.
The Committee welcomes the intent of the statement of ambition in this regard. In particular, the Committee welcomes the role envisaged for local elected members in providing oversight and scrutiny of CPPs and the outcomes they deliver.

### Principles for effective Community Planning Partnerships and SOAs

The Committee therefore commends the following points as key ingredients of an effective CPP:

- A clear and shared vision for the CPP;
- Strong, inspirational and coordinated leadership at all levels in the council and partner bodies, but particularly at the top of each body;
- A clear understanding and appreciation of the value of partnership work and a commitment to working across organisational boundaries and breaking down silos at all levels within those bodies making up the CPP;
- A shared sense of responsibility among the partners for the actions of the CPP;
- A clear process for the evaluation of the actions of the CPP;
- The commitment of resources by all partners;
- Incorporation of partnership work within the performance appraisal systems of partner organisations;
- A commitment to data sharing amongst partners and to the development of technological solutions to overcome data sharing challenges;
- Development of roles within CPPs for the third sector as appropriate to local circumstances;
- Effective, meaningful engagement with communities to understand their needs and to develop and deliver services that respond to them;
- A commitment to the preventative spending model and early intervention;
- Embedding of the outcomes based approach into policy and service delivery development;
- Outcomes that are smart, consistent and that are not local authority centric, but that are shaped by all partners including the local communities;
- Spending decisions by the CPP that reflect its agreed outcomes.
SOLACE and Improvement Service project

(Paragraph 34) The Committee urges local authorities to get fully behind [the Benchmarking] exercise and ensure that its full potential can be realised.

(Paragraph 35) The Committee endorses and welcomes the introduction of benchmarking. The Committee applauds local authorities along with SOLACE and the IS on recognising the need for local authorities to take forward this initiative and in developing an approach which the Committee considers has the potential to bring about a huge step forward in improving the quality of services and deliver cost savings in coming years.

(Paragraph 36) The Committee urges COSLA and the Scottish Government to ensure that all council leaders fully understand the potential benefits that can and should arise from appropriate use of the benchmarking data.


The Indicators

(Paragraph 49) The Committee will be looking at outcomes in much greater depth as part of strand three of its inquiry into Public Sector Reform and in particular looking at possible implications for Community Planning Partnerships.

(Paragraph 64) Notwithstanding reservations about the areas not currently included the Committee is satisfied that 47 returns should be ample to enable local government to monitor and demonstrate performance on its activities and recommends that as additional indicators are identified others are removed.

(Paragraph 65) The Committee in its ongoing work in future years will keep a close watch on [Benchmarking families]. The Committee recognises the pragmatism behind the approach to using families and, while generally content, is concerned to ensure that the approach does not inhibit authorities learning from the best whether within or outwith Scotland.

The Role of the Regulators

(Paragraph 71) The Committee is concerned to see that the collection of data for benchmarking is used as extensively as possible, including facilitating the de-cluttering of the returns landscape. The Committee urges all regulators requiring

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returns in the coming years to consider utilising data collected for or in support of benchmarking. The Committee looks to the Accounts Commission for Scotland to make that judgment in early course.

(Paragraph 72) The Committee consider that the number and content of returns, including those to the Scottish Government must reduce and considers that only in exceptional circumstances (such as discrete areas not covered by benchmarking) should returns additional to benchmarking data be required.

**Challenges to the success of benchmarking – managerial, cultural, political, and media**

(Paragraph 79) The Committee encourages local authorities to learn from Scottish Water’s experience and ensure that they access the appropriately skilled staff to maximise value and realise the full benefits from the benchmarking data.

(Paragraph 83) The Committee will look closely at future regulatory reports for evidence that the confidence [of cultural change] shown by council leaders in this regard has been justified, and that benchmarking has been accepted by all staff and has been embedded into processes across each authority.

**Political and media challenges**

(Paragraph 94) The Committee encourages the development of media messages well in advance to focus on the positives, and crucially to emphasise the opportunities the data presents to learn from others, to drive down costs and drive up service improvements.

(Paragraph 95) The Committee urges all politicians to support [Benchmarking], and to work and comment constructively to ensure that the benefits that can ensue from using benchmarking can be realised.

(Paragraph 96) The Committee consider that publication of the indicators presents an opportunity to address an existing democratic deficit and provide some clarity to the public.

(Paragraph 97) The Committee echoes the comments of the Christie Commission and also believe that—“the drive for improvement and better accountability can be enhanced through greater openness and transparency surrounding budget decisions, analysing the costs of services delivery and the degree to which services achieve their stated objectives”.

**Community Planning Partnerships**

(Paragraph 101) To that end the Committee will be looking at outcomes in much greater depth as part of strand three of their inquiry into Public Sector Reform and in particular looking at possible implications for Community Planning Partnerships.

Future scrutiny and utilisation of benchmarking by the Committee
(Paragraph 105) The Committee will expect from SOLACE and COSLA regular updates on progress with the next phase of the [Benchmarking] project and expects as part of all updates to be provided with information on ways in which the original data is being both developed and utilised. The committee intends at least once per annum to question directly selected local authorities on their progress in relation to each of the areas covered by this report.
Strand 3 Recommendations from this report - the Local Government and Regeneration Committee’s 9th Report, 2013 (Session 4): Public Services Reform and Local Government: Strand 3 – Developing New Ways of Delivering Services (SP Paper 370)

SECTION A: PUBLIC SERVICES REFORM – GENERAL CONCLUSIONS AND RECOMMENDATIONS

Progress

(Paragraph 22) PSR is not happening at the rate or scale that is needed or desired.

(Paragraph 32) Most of the barriers that are both perceived and presented as blockages within the PSR process could be overcome by a can-do approach and a change in behaviours and attitudes.

(Paragraph 36) Unless and until some guidance or system is in place, the problems of measuring outcomes will continue.

(Paragraph 39) Now is the time to act if the investment being made in PSR is to be refocused on delivering the Christie Commission’s vision.

General Recommendations

(Paragraph 43) We suggest there are some things that can be done quickly to address the challenges we have highlighted, including—

- Improving communications within and across bodies and systems to ensure communities and staff are properly engaged;

- Reviewing the reporting arrangements within partnerships to ensure incentives are directed to achieving partnership rather than individual aims or ‘outcomes’;

- Improving community engagement. We see growing evidence that bottom-up, community led initiatives are the most effective kind of PSR;

- Improving learning and exchange of experience.
SECTION B - STRAND 3: DEVELOPING NEW WAYS OF DELIVERING SERVICES

‘Apparent’ Barriers on Public Services Reform

Willingness and Attitudes

(Paragraph 68) - We have been impressed by the commitment, drive, and can-do approach of some local projects/partnerships we have visited and/or received evidence from (Annexes C, J and K). These examples lead us to suggest that—

- Above all, there is a need to build and sustain trust, especially in any partnership seeking to deliver PSR.
- Key factors in overcoming apparent deficiencies in willingness or attitude include:
  - consensual and strong leadership that recognises the realities of partnership working;
  - good communications, and willingness to compromise;
  - meaningful engagement with all stakeholders, and
  - clear appreciation of the context/framework within which any change is happening.

Partnership and CPPs

(Paragraph 71) Despite a lot of effort at strategic level, there is little evidence of significant real progress in Public Services Reform being delivered through CPPs.

(Paragraph 73) The public sector must change its approach to those to whom its supply services, treat them all as customers, endeavouring to meet their needs and above all respect and listen to them.

(Paragraph 75) Irrespective of the balance of views about partnership working and CPP’s, we are clear from the evidence that there is a problem somewhere between the strategic and delivery levels of partnerships generally, and CPPs in particular. Part of the problem is communication, attitudes and trust but there are other factors (as discussed in [this report]) and we see no easy solution.
Risk

(Paragraph 76) Too many of those engaged in Public Services Reform are risk averse.

(Paragraph 78) There is too much aversion to risk and we expect the “risk averse” culture to be addressed and staff to be empowered to take more risks, which in turn will encourage and breed innovation.

Finance and Bureaucracy

(Paragraph 86) Overall, we find a compelling case for a review of funding sources for PSR to streamline the administration and focus the strategy. Such a review might remove, or at least reduce the apparent constraint of finance. This is a task that could be done, or at least monitored, by the NCPG.

Statutory/Legal

(Paragraph 88) We have not found a single statutory or legal issue that constrains PSR which cannot be overcome with the right approach to change, whether involving partners or not. The apparent barriers generally arise when two or more bodies seek to engage in partnership to improve services.

(Paragraph 94) We suggest that developing some central guidance to statutory bodies and accountable officers on how legal and accounting rules have been applied to partnership working might help to spread the lessons of the successful partnerships and make this constraint less apparent.

(Paragraph 95) In the longer term, future legislation – informed by the lessons from success – should ensure clear accountability across public bodies working in partnerships, thus removing any temptation to argue barriers exist.

Procurement and Best Value

(Paragraph 99) – However, procurement experts would argue that effective procurement should assist the delivery of improved services. We question the validity of the procurement barriers presented to us, and the contention that they are driven from an EU level.

(Paragraph 102) - After hearing concerns around procurement levels our EU Reporter requested a briefing from SPiCe on the thresholds at which different rules impact upon procurement of public services. This briefing is attached at Annex G. It demonstrates that, particularly at a community/very local level, procurement rules are disproportionate and inflexible to meet local communities’ needs, and that many local procurement rules are not the result of required compliance with EU directives, but the result of guidance from a variety of sources, and are driven by over-compliance – avoidance of risk.
(Paragraph 107) - We invite the Scottish Government, COSLA, and other relevant professional bodies to reflect on our findings and consider whether a co-ordinated view on issues around procurement and best value needs to be developed to inform the consideration at working level. We also invite them to consider whether such a co-ordinated view needs to have regard to other areas of policy/compliance that might also be apparent barriers.

Data, Benchmarking, Language, and developing Trust

(Paragraph 110) There was total agreement that establishing a meaningful baseline is a critical first step in developing any PSR proposal. Benchmarking was also widely accepted as an important tool, though there are many caveats around the use and interpretation of data.

Conclusions on Strand 3 – Developing New Ways of Delivering Services

(Paragraph 126) Our main conclusion on Strand 3 is that a prerequisite for success in finding new ways of delivering services is a shared common understanding and purpose of the vision, aims, and purpose of any initiative. In simple terms, where there’s a will, there’s a way.

(Paragraph 127) Our inquiry has shown that there are plenty of apparent barriers to progress that can be seized on for whatever purpose. One secret of success is to overcome whatever inhibitions or fears prompt the easy response to stick with the status quo. Where there is real commitment the can-do approach can do.

SECTION C - REVIEW OF STRAND 1: PARTNERSHIP AND OUTCOMES

(Paragraph 132) 10 years of community planning has yielded little significant evidence of major improvements in public services.

(Paragraph 137) We found limited evidence that such success is driven by the CPP process. More often such successes are delivered from the bottom-up. We are clear that community-led changes are generally more successful that top-down initiatives.

(Paragraph 139) A review of our evidence suggests the following characterisation of partnership working – especially CPPs – would reflect experience in all partnerships to some degree. We see three distinct levels—

- At strategic level most seem to believe partnership is working despite the Accounts Commission for Scotland/Auditor General for Scotland evidence. The one area of doubt is around community engagement, where the experience is at best patchy. At strategic level we have not had sufficient evidence to form a view on the role of Third Sector Interfaces. Given the considerable investment from the Scottish Government and the BIG lottery in building this network we intend to return to this issue in future work;
At working level, when communities are fully engaged, there is a great deal of action, some success, and often a feeling of achievement. Equally, there are real frustrations from both community representatives and amongst front-line staff, often created by the apparent barriers considered in Section B of this report. In particular, we found overwhelming evidence at local level that communities do not feel engaged in the CPP process, lack understanding/appreciation of it, and generally feel it is something being done to them. Many also said their voice is not being heard where it matters. In short, what is happening is precisely the opposite of the Christie Commission aspirations;

Somewhere between the strategic and local levels there is a soft centre where the strategic vision from the top and the energy and ideas from local level are somehow dissipated. This soft centre might also be characterised as silo structures. We can detect no golden threads between the aims/visions at strategic level and the energy and successes we saw at local level, nor did we find much evidence of any systematic overview of CPPs or exchange of best practice and good ideas. We agree with the Accounts Commission for Scotland/Auditor General for Scotland that the apparent barriers are part of the problem and we address these in section B of this report. We have great concerns that there are clear differences in perceptions at each level of the partnership structures level.

(Paragraph 142) We are not convinced that the emerging NCPG proposals fully address the concerns we set out in this report.

(Paragraph 143) Our view is that the NCPG represents additional superstructure for community planning in Scotland.

164. (Paragraph 148) At this stage we highlight three key issues for CPPs/partnership that emerge from our inquiry—

- CPP/partnership working arrangements are now well developed and mostly embedded in the relevant partner structures. The system is now sufficiently mature to permit meaningful audit of structures and processes. Most partners seem to understand the need to work together and are committed to doing so. We agree with the view expressed by David Martin from SOLACE in our final evidence session. He was asked if there was agreement with these findings in the AC/AGS reports and said—

  “It depends on the issue. In some community planning partnerships, work on issues such as child protection has advanced tangibly and demonstrably as a result of collective working. However, generally speaking across the piece, we have not done as well as we could do and we need to raise the bar.”\textsuperscript{60}

To achieve the switch in emphasis to delivery, we suggest that CPPs/partnerships need to focus more closely on the recommendations of the Christie Commission, specifically the need to improve community engagement. We emphasise that such engagement needs to happen at all levels of partnership work. They also need to demonstrate more clearly how their aims/visions are translated into reality at delivery level.

Much of our evidence highlighted the need for better leadership. We agree that is desirable but believe consideration is needed about the meaning of leadership in a partnership context. Our view is that good partnership leaders listen and respond to local communities. Agreeing aims/visions and delivering them requires a continuous process of engagement and adjustment to reassure all the partners that they are being heard and, where possible, accommodated. Such a process is vital to building the trust on which all good partnerships are founded.

SECTION D - REVIEW OF STRAND 2: BENCHMARKING AND PERFORMANCE MEASUREMENT

(Paragraph 155) We are conscious that the project has taken a long time to mature, for reasons set out in our Strand 2 Report. Given the widely acknowledged pressures on our public services we would expect the next stages to proceed apace to—

- improve and increase the exchange of information and best practice on using the data to deliver new or improved services;
- educate and inform all those who can benefit from using the data, notably elected politicians at all levels;
- extend the data set by adding new, appropriate indicators and refining those already included;
- extend the scope of the project to include partner agencies within community planning;
- liaise with regulators to integrate the data into performance measurement and scrutiny systems to reduce burdens and increase accountability, and

encourage other parts of the public sector to follow suit in developing a meaningful, overarching data set to permit better benchmarking.
Dear Stuart,

Submission Draft EU Public Procurement Directive – Impact in Scottish Local Government

Thank you for your letter dated on 15 April. COSLA is pleased to provide additional details on our views and concerns over the draft EU Procurement Directive (COM(2011)0896) that is currently under negotiation.

Indeed we very much welcome the new EU scrutiny system that has been launched inside the Scottish Parliament and the use of EU reporters in each Committee as this would marry the ability of the Europe Committee to respond rapidly to emerging EU issues with the detailed know how and expertise of each of the subject Committee. Every year the COSLA President sends to the Parliament a detailed list of EU legislative priorities which COSLA, with the help of Councils, has previously assessed their potential impact for Scottish local government, hoping that this would enrich the scope of EU parliamentary scrutiny.

The issue of Public Procurement is one of those many legislative dossiers that are being discussed in Brussels and which will have a clear impact in Scotland. However it is also a peculiar one, because EU procurement legislation is one of the few areas of EU competence where the Commission has a very large set of conferred powers, and one which the domestic legislation has a narrower set of discretionary powers. Indeed over time what was originally a set of rules to prevent unfair competition has evolved, by interpretation of the Commission or the activist role of the European Court of Justice (ECJ) to a detailed set of rules that put clear limits on whether a public authority, including local authorities, can provide a service, how it can provide it and, lately, whether it can freely decide to share such service with another public authority.

Indeed COSLA has recently agreed “Strengthening Local Democracy: A Vision for Local Government” precisely aims to avoid imposing such disproportionate requirements upon local government. While our work on this Directive started well before the Vision document was formulated is the reasoning is consistent with our assessment of the Directive and its impact for Scotland.

The on-going review of EU procurement rules represents a once in a generation opportunity to review these rules. While preserving the need for preventing abuse, avoid protectionism, unfair or illegal allocation of public monies and fair competition among providers, the current draft Directive effectively allows us the possibility to critically review how far the European Commission and the European Court of Justice can determine the shape and scope of how public services are delivered in Scotland.

For such reasons it looks likely that to ensure consistency the Procurement Reform (Scotland) Bill would have to be approved only after the Directive is...
agreed or, failing an agreement on the Directive during the time of the current European Parliamentary terms, that the Act is amended at a later date following the approval of the Directive.

Indeed we can confirm that we have also been sharing our views with the Scottish Government and Scottish MEPs throughout this reform process that has taken part the good part of the last couple of years. Indeed in Brussels we are part of a broad coalition of national associations of Local Authorities that is seeking to formulate compromises which, while ensuring that local government freedom to provide services, is also acceptable to a majority of Member States and MEPs.

COSLA believes that the Scottish Parliament has a crucial role to play in ensuring that the Scottish and UK Governments are able to obtain the best deal possible for local government but equally to ensure that the Procurement Reform (Scotland) Bill is shaped in a way that it foresees the implementation of the new EU Directive once it is approved.

My officials have prepared the detailed assessment of the EU proposals and its impact in Scotland that can be found overleaf.

Yours sincerely

Cllr David O’Neill
President
1. Public-Public cooperation (art. 11), otherwise known in Scotland as Shared Services is perhaps the issue which will have the most effect in Scotland among those upon which there is still margin for negotiation in Brussels.

2. Up until now the issue of shared services, or more generally “Cooperation between public authorities” as it is described in the draft directive was not explicitly regulated at EU level. However this does not mean that the EU institutions were not impacting in the way public authorities share services. They did so, through the interpretation by the Commission that such arrangements are part of EU Public Procurement rules (and thus giving non-legislative interpretation accordingly) and crucially through the evolving ECJ case-law.

3. Indeed it was only until the current Draft Directive was tabled that such jurisprudence was codified. COSLA and indeed the large majority of local government across Europe would have preferred that the EU institutions were kept away from any interference in shared service arrangements. Such arrangements are a crucial way to deliver services more efficiently and cost-effective at a moment of reduced resources while keeping local decision making and avoiding centralisation. Furthermore they very much result of the institutional organisation of a given country and they are for the most part not aimed at competing or crowding out the private sector but to help Local authorities to better provide services. Therefore if any such regulation were needed it should have been a national one.

4. Article 11 of the draft Directive does however foresee that certain forms of shared services would be exempted from the Procurement Directive, which is welcome. However we would have preferred that article 11 contained a total exemption of shared service arrangements.

5. Unfortunately not Parliament or Council of Ministers decided to take that step, which resulted in COSLA campaigning for ensuring that at least the vast majority of shared service activities that could be undertaken in Scotland in the medium term could be exempted from the obligation of being tendered to the private sector (when the activity shared is a local public service, that is). We would welcome a clear call from the Scottish Parliament for the UK Government to revise its position on that particular article so that a total exemption for shared services under EU rules is granted or at least to be addressed by means of national legislation.

6. Equally in anticipation for the role of private bodies in helping develop these shared services in the future (provision of IT support, technical assistance, financial management, etc.) that shared services where such private operators had only an ancillary role could also be exempted from EU procurement rules as foreseen in article 11. Therefore we would welcome that the final version of the Directive uses the definition proposed by the European Parliament.
11.3.1 (c) and 11.4.c “there is no private participation in any of the contracting authorities involved with the exception of non-controlling or legally enforced forms of private participation, in conformity with the Treaties, and which do not exert any influence on the decisions of the controlling contracting authorities.”

7. Finally there is concern that the Commission proposal requiring that only those shared services where its members have “mutual rights and obligations” could be excluded from the overall exemption foreseen in Article 11. This would mean that, under a restrictive reading of Art. 11.4.a. any shared service where one Local Authority performs the task on behalf of a group of others local authorities would not be covered by the exemption of article 11.

8. At this juncture we would like to highlight, however that the Court of Justice itself has moved since negotiations on the Directive started. Indeed in its landmark ECJ “Lecce” ECJ Lecce ruling of 19 December 2012 the Court does not demand the requirement of reciprocity of services in the meaning of “mutual rights and obligations” of the contracting public entities.

9. Thus the Scottish and UK Government could propose to the Irish Presidency and the MEPs to take into points 34 and 35 of the Lecce case (C-159/11) which specifies the four criteria which must each be fulfilled for the exemption to apply:

1. “contracts which establish cooperation between public entities with the aim of ensuring that a public task that they all have to perform is carried out
2. concluded exclusively by public entities, without the participation of a private party
3. no private provider of services is placed in a position of advantage vis-à-vis competitors
4. the cooperation is governed solely by considerations and requirements relating to the pursuit of objectives in the public interest”.

10. As members might be probably aware know similarly less restrictive criteria is already mentioned in an earlier case C-480/06 (Stadtreinigung Hamburg) but not laid out quite so clearly or definitively as the Court has done in the Lecce case.

11. Making the Directives coherent with the Court’s ruling will add legal certainty upon the future interpretation by the Court of the Directive once approved and would thus allow Local authorities to provide shared services in the way that is more efficient for them in full compliance with the safeguards granted by Article 4 and Protocol 26 of the Treaty of the Functioning of the European Union.

12. Finally with respect of how much the new Shared Service partnership can perform tasks to parties that are not the public authorities that make up the partnership (Article 11.1.1.b) we do welcome that the MEP proposal increases the possibility of the shared service body can perform services to third parties as this would give extra flexibility and could both enable other public authorities to benefit from these services and increase the chances of long term financial viability of that
shared service. We do support therefore the MEP version of this article as by measuring such percentage by “turnover” and not by “activities” foreseen by the Commission draft and the Council it gives the share service partnership more measurable legal certainty to comply with the Directive. Equally the mention of “turnover” can help implement the directive in UK/Scottish in the timescales that hopefully after discussion with local government are seen as more appropriate.

(b) at least **80%** of the **average total turnover** of that legal person are carried out for the controlling contracting authority or for other legal persons controlled by that contracting authority;

**Strategic use of public procurement (Procurement to deliver EU goals)**

13. The sheer amount of public resources spent on procurement makes it an effective tool to achieve the objectives of the Europe 2020 Strategy of a smart, sustainable and inclusive economy. The Commission wants to use procurement to promote other EU policy goals. COSLA position is that this should be optional. The reason for that is that the purpose of EU Procurement legislation is to ensure that there is fairness in tendering out goods. This is the power that Treaties confer upon the Commission to watch over. Clearly we may agree with some of the goals of the Europe2020 Strategy and can sympathise with the wish from the Commission to compensate their limited resources to deliver that agenda with the use of procurement rules an area which they have comparatively more power on. However our preference is that those provisions, such as green public procurement are addressed through domestic, not EU legislation.

14. Secondly, if the directive were to contain any such provision we would nevertheless be keen that any such additional procurement criteria should be defined as part of this Directive, or future amendments to this Directive, rather than scattered across unrelated EU pieces of legislation as it is currently the case.

15. In the negotiations so far Member States (the Council of Ministers) quite sensibly view that public procurement rules should continue to focus on “how to buy” and not “what to buy” but to have the additional set of criteria as optional which can be then added in domestic procurement legislation.

16. Interestingly MEPs were keen to go even further than the Commission but it has now slightly toned down their position down so that it now mainly calls for “contracting authorities may set demands that are stricter or go further than current Union legislation in order to reach the common objectives”.

17. Indeed in Article 67 (Life Cycle cost) MEPs are adding social in addition to environmental criteria must be used in addition to cost to make procurement decisions. Indeed MEPs have erased the lowest cost option was erased from Article 66 this means that if approved this way the new Directive might be more demanding as per adding sustainable and social procurement criteria in award decisions.

18. While sympathising with the Commission and MEPs keenness to establish uniform rules as a way that countries with a poor environmental record use procurement accordingly we would still advise that the Council of Minister text is

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kept in the agreed Directive, as this would enable maximum room of manoeuvre for present and future sustainable procurement policies in Scotland.

**Lowest Cost vs. Most Economically Advantageous Tender (article 66)**

19. The Commission had proposed that contracting authorities should be allowed to adopt as award criteria either ‘the most economically advantageous tender’ or ‘the lowest cost’ (article 66), taking into account that in the latter case they are free to set adequate quality standards by using technical specifications or contract performance conditions. MEPs have decided to allow only “most economically advantageous tender” as the defining award criteria to give more leeway for sustainable procurement award criteria. Although we note that many procurement experts had come back to us pointing that greenest need not be more expensive not having the option of choosing the lowest cost option when appropriate is unwelcome from the point of view of subsidiarity and the conferral. Indeed it should be up to the Scottish and UK Parliaments to legislate for this as it is doubtful that the EU has explicitly conferred powers to legislate this level of detail.

**Sub-contracting (Article 71):**

20. The new rules on sub-contracting aims to ensure sub-contractors (typically SMEs) are defined from the outset and be timely able to receive their payments, which is a principle that we welcome. However there was no specific mention on responsibilities of the contracting authority over liabilities incurred by its sub-contractors (for instance in meeting social and environmental criteria). This is not a minor issue, as in a range of recent EU legislation (notably the Green Vehicles Public Procurement) Thus a possible reading of this would mean that Local authorities would be held accountable for the failure of their sub-contractors of failing to meet EU environmental standards, therefore opening up a series of unforeseeable liabilities down the line. We see that neither the MEP nor Member State negotiating positions provide a clear guarantee that such interpretation is not possible under the terms of this directive, therefore we would be welcome that the finally agreed text contains a provision in this regard.

**Thresholds**

21. The commission originally proposed (article 4) the EU Directive would be applicable above the same quantities as at present: public works contracts worth more than €5 million, public services contracts of more than €200,000 and contracts of more than €500,000 for certain sectors.

22. The Commission, in spite of requests from a wide section of stakeholders remains unconvinced that it is necessary to raise thresholds. In our response to the EU Directive consultation we indicated that as a general political point it would be welcome that thresholds were to be raised, while at the same time pointing out that a majority of practitioners find existing thresholds manageable and acting as an encouragement to achieve demonstrable best value.

23. A question remains, however, whether these thresholds are not only manageable but whether they also proportionate and represent the minimum burden for both contracting authority and supplier. Hence it is argued that rather than a strict adherence to a monetary threshold that it would also be possible for certain contracts above threshold to depart from full application of the directive
when the contacting authority could objectively demonstrate that the procurement activity, even with a value above threshold, does not affect cross-border EU trade.

24. We believe however that the margin of negotiation is already extremely limited on this issue therefore COSLA welcomes that at least for certain public contracts for social and other specific services the threshold has been raised to 750,000 euros by both MEPs and Council of Ministers. In addition to social, health, education and related services, personal services and those distributing various allowances (maternity, unemployment, etc.), legal and rescue services and services related to vocational training have also been added. It is to be welcome that Council has fewer sectors excluded than the MEP version.

Governance
25. The Commission had proposed the establishment of completely new comprehensive governance and reporting structures (article 83 and 84). We raised this issue with Government due to the devolved implications. While Member States fully support the internal market, almost all Member States found the proposal excessively burdensome and are strongly opposed to the proposed new structures that could force Member States to change already existing procedures. However it is welcome that both MEPS and the Council of Ministers versions scraps the obligation of having a single “Public Oversight body”. However the Council version has less burdensome reporting obligations that the MEP one.

26. **Delegated Powers** (Title V) The Commission proposal foresaw that large swathes of the Directive including Article 6 on revision of Thresholds to which the Commission can have a larger room of manoeuvre than it was possible through the traditional comitology, in some cases it will be possible for the Commission to act using an urgency procedure (i.e. limiting the possibility of Council or Parliament to block the measure). As said in the individual articles above, the recurring use of these provisions throughout the directive can be regarded as disproportionate and should be curtailed in the final version of this Title.

Flexibilisation of procedures
27. We can support to reduce the minimum time limits set out in the Commission proposal in order to make public procurement more efficient, while respecting that time limits must always be proportional and give economic operators, in particular SMEs, sufficient time to prepare tenders.

28. **Regarding Choice of Procedures** (Article 24) COSLA calls, in line with the European Parliament resolution from 2011, for fewer and more flexible procedures in line with the WTO Government Procurement Agreement, especially as the Commission has argued for the overall thresholds of the Directive cannot be raised. The introduction of a greater element of negotiation in procedures is welcome and it is worth noting that MEPs in particular do not only call for the negotiated procedure being made available but indeed request that Member States shall (not may) provide that contracting authorities may use a competitive procedure with negotiation or a competitive dialogue.

Reducing documentation requirements
29. There is a strong need to simplify procurement rules and procedures, thus reducing transaction costs for both contracting authorities and economic
operators. This will result in more economic operators taking part in procedures for public contracts, not least SMEs, which in turn would intensify competition, promote innovation and lead to better procurement outcomes. While both MEPs and Member States view red tape as a key issue, a compromise is still to be found. One point of clear consensus is to extend the Internal Market Information System (devised for the Services Directive) to cover procurement specifically as well, which we can support.

E-Procurement
30. The use of electronic procurement is heavily promoted through this Directive due to its potential for increasing transparency, reducing transaction costs and improving procurement outcomes. Moreover, e-procurement could contribute to preventing, detecting and correcting errors due to misunderstanding or misinterpretation of public procurement rules. Member States are more positive to the new requirements that mean that by 2016 fully move to e-procurement procedures in Central Purchasing Bodies. On this point we would like to raise an issue of concern as the Commission, in spite of legislating on e-procurement in this Directive as it is advisable for legal certainty and consistency, it is also preparing a separate piece of legislation on e-procurement. This is unwelcome and such provisions should be introduced in this Directive.

SME Access
31. This is another aspect where there is increasing common ground among MEPs and Member States. Member States for instance fully support the proposal of introducing a turnover cap, according to which contracting authorities should not be allowed to require economic operators to have a minimum turnover exceeding three times the estimated contract value. They also support the proposed changes in several articles to encourage the involvement of SMEs in public procurement markets.

32. An issue that MEPs have particularly made strong emphasis is in the Procurement Passport. This should enable SMEs to more easily apply for tenders abroad. Although already proposed by the Commission MEPs are asking for it to include much more details: company registration number, name, address, bank; Description of the economic operator, in particular year of establishment, corporate form, owner(s) of the economic operator, members of the board, industry code, short description of the main services and/or main products sold by the economic operator (Annex XIII); In addition the MEPs are proposing that the European Procurement Passport must be signed by the economic operator, thereby guaranteeing the validity of the information in the European Procurement Passport. By contrast the Council of Ministers is totally opposed to this as it would add an extra layer of administration. We would welcome a balanced approach on this issue.

33. Lots: Also to help SMEs the Commission proposed to divide contracts worth more than €500,000 into lots. Both MEP and Council position agree on the principle and we would support the Council version as it enables a wider range of flexibility to be addressed through domestic legislation, in particular to ensure that there are robust provisions that would ensure that if a Local Authority uses the
foreseen exceptions not to break down the contract into lots it would not be subject to legal challenge.

34. **Consistency with other EU Directives:** It is worth noting that this is the main Directive of a Package that also includes the revision of Directive 2004/17/EC (procurement in the water, energy, transport and postal services sectors) and 2004/18/EC (public works, supply and service contracts), as well as the adoption of a directive on Concessions. We would like to stress that, while the "classic" directive that we discuss in this submission is the one that most directly concern local government it is essential to ensure legal certainty that the definitions in each of these directives are the same ones, particularly as regards to Shared Services can differ across Directives in terms of definitions and criteria even if the actually refer to the same subject. There is no justification for that other than purely due to these Directives being negotiated separately by different peoples so we call on the final version of these Directives to have either exactly the same definitions or ensure that at least they are mutually exclusive.

35. Finally on the Concessions Directive in particular we understand that the UK and Scottish Government are of the view that the Concessions directive is not applicable in the UK as such type of contracts do not exist. However the Commission Impact Assessment spells out that "More than 700 PPP deals were signed up to March 2006 with a total capital value of over € 60 billion (equivalent to 3% of GDP). Based on the PwC study, most of the UK contracts would qualify as concessions, even if this has not been confirmed by the CSES study In the UK, concessions are to be found in public transport, roads and bridges, waste management, waste water management, marine services and care homes." (Concessions Impact Assessment, page 6) Therefore we would like to seek formal assurances from Government that the Concession Directive does not concern PPP, joint venture or similar instruments that Councils do use or might choose to use in the future to deliver better services for communities.

**Conclusion**

36. We hope that the above submission would help the Committee have a broader view on the impact of the Draft EU Directive in the Procurement Bill and in particular on Local Government. We hope that this would also be useful in order that the appropriate representations are made to ensure that the final directive has the best deal possible for Scotland.

*Serafin Pazos-Vidal*  
April 2013  
Head of Brussels Office  
COSLA
ANNEX G: SPICE NOTE ON PROCUREMENT THRESHOLDS

Local Government and Regeneration Committee

Note on public procurement thresholds and associated rules

Purpose of note

During its meeting in Ayr, and elsewhere, the Committee has often heard mention of EU Procurement Rules as being a barrier to, for example, community groups bidding for contracts, etc. This note briefly sets out some of the key facts around Procurement thresholds and related rules, and has been prepared in consultation with Scottish Government officials and the Parliament’s Procurement Office. The note is not intended to be an exhaustive summary of the complex issues around public procurement.

EU Procurement Thresholds

Public procurement for certain goods and services above certain monetary thresholds has to follow EU rules, which were introduced to open up public purchasing, making member states remove restrictive practices. The EU rules aim to open up public procurement to companies outside the awarding member states and ensure the free movement of supplies, services and works within the EU and the non-discriminatory treatment of suppliers.

The SPICE Briefing on Public Procurement in Scotland sets out more detail around the legal framework. However, for the purposes of this note, the key point is the monetary thresholds above which the EU Directives apply. The current thresholds are set out in the table below – those applying to procurement by local authorities are in bold text.

<table>
<thead>
<tr>
<th>Public Contracts (Scotland) Regulations 2012</th>
<th>Supplies</th>
<th>Services</th>
<th>Works</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entities listed in Schedule 1 (1)</td>
<td>£113,057</td>
<td>£113,057</td>
<td>£4,348,350</td>
</tr>
<tr>
<td>Other public sector contracting authorities [INCLUDING LOCAL AUTHORITIES]</td>
<td>£173,934</td>
<td>£173,934</td>
<td>£4,348,350</td>
</tr>
<tr>
<td>Prior Information Notices</td>
<td>£652,253</td>
<td>£652,253</td>
<td>£4,348,350</td>
</tr>
<tr>
<td>Small lots</td>
<td>£69,574</td>
<td>£69,574</td>
<td>£869,670</td>
</tr>
</tbody>
</table>

This means that, for local authorities, contracts with a value below £173,934 are not subject to the EU Procurement Directives.

Contracts below the EU Procurement Thresholds

The first thing to note about those contracts below the thresholds outlined above is that although the specific EU Procurement Directives do not apply, Treaty Principles still apply, including transparency, equal treatment and non-discrimination, proportionality and mutual recognition.
However, public bodies are free to determine at a local level (e.g. in their standing orders) how below-threshold contracts will be awarded. In doing so, they are responsible for ensuring that they comply with Treaty obligations, in particular, the obligation to ensure that contract opportunities receive adequate publicity.

In addition to this, the Government has confirmed that there is an expectation that contracts over £50k are advertised on the national portal (Public Contracts Scotland), and that the “Quickquote” facility will be used for contracts of a very low value.⁶¹

Guidance for buyers on low-value contracts is included in the Procurement Journey, which explains that quotations should be sought from a minimum of 3 suppliers who have the experience and expertise to meet the requirement.

In terms of proportionality, there is also a Suppliers Charter between Scottish public sector procurers and Scottish businesses which seeks to, among other things, balance the value of a requirement against the effort/process involved.

**LEADER funding**

During the event in Ayr, there was also much discussion of LEADER funding, which is—

“part of the Scotland Rural Development Programme (SRDP). LEADER is a bottom-up method of delivering support for rural development through implementing local development strategies. Support, awarded by Local Action Groups (LAGs), is aimed at local projects with a wide community benefit that show an element of originality or experimentation where possible, and complement other activities within the local development strategy.”

LEADER has its own detailed processes and procedures. Given the small amounts of money involved, these are totally separate to the regular EU Procurement rules. These are set out in an SSI.

Allan Campbell
SPICe Research
April 2013

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⁶¹ Quick Quote is an online request for quotation facility. It is used to obtain competitive quotes for low value/low risk procurement exercises from suppliers who are registered on the portal. The Quick Quote request is created online and sent to a selected list of suppliers. Only those suppliers selected to quote can access the details of the quote and submit a bid. Registered suppliers complete the required details and submit their quotation using the secure electronic post-box. A full electronic audit trail is maintained.
ANNEX H: SUMMARY OF KEY FEATURES AND ACTIONS OF THE NATIONAL COMMUNITY PLANNING GROUP

Purpose and Remit of the Group

The National Group will provide the strategic leadership needed to drive the step change in community planning that has been set out in the Statement of Ambition for community planning agreed by COSLA and Scottish Government. It will consider opportunities and challenges, including finding appropriate balances between local and national priorities, and set associated expectations and requirements in order to create an environment in which community planning will flourish.

Once constituted, it will be for the National Group to determine and agree the arrangements it will require, including the production of work plans to focus activity over time. However, in broad terms it will focus its actions on the following areas:

- Ensuring that the vision and key principles for community planning set out in the Statement of Ambition are embraced and given practical expression in community planning partnerships throughout Scotland;
- Ensuring that actions, cultures and resources across public services are in place to enable an effective framework for community planning to take place within, including the production and reporting of SOAs;
- Ensuring that the CP/SOA framework promotes, contributes to and is embedded within the wider PSR agenda, including proper engagement between CP and other policy initiatives/areas;
- Building and maintaining the capacity of CPPs, including knowledge sharing and best practice, including identifying performance issues that have a national dimension; and
- Brokering and resolving any tensions between national and local priorities and providing an authorising environment within which the arrangements for Scottish Government sponsorship of public bodies can be used to help secure effective engagement by appropriate bodies in community planning and the production of SOAs.

In summary, by providing strategic leadership, and by mobilising resources and expertise to support local CPP capacity-building and SOAs, the group will enable the conditions for success required to deliver the overarching vision for community planning and SOAs, whilst guarding against any prospect that these national arrangements become prescriptive or interventionist.

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However, CPPs will not be formally accountable to the new national group, nor should these arrangements restrict the focus on localities that is properly delivered through CPPs. Such arrangements should instead help focus the efforts and resources of relevant partners consistently and over time to improve outcomes for communities including in relation to priorities such as early years, health inequalities, youth unemployment or economic growth. The group will therefore support the efforts of partners, particularly in relation to agreed national priorities, alongside, and in support of, relevant national groups such as the Early Years Taskforce and the Ministerial Strategic Group for Health and Community Care.

A key initial output of the Group’s activities will to enable the development and issue, accompanied by appropriate awareness and engagement activity, of guidance for CPPs on new SOAs. The expectation is that such guidance will be produced by early autumn 2012 to enable new SOAs to be in place for 1 April 2013 as has been agreed by the Scottish Government and COSLA.
ANNEX I: EXTRACTS OF MINUTES OF THE LOCAL GOVERNMENT AND REGENERATION COMMITTEE

23rd Meeting, 2012 (Session 4), Wednesday 31 October 2012

Public services reform: Strand 3 - developing new ways of delivering services (in private): The Committee agreed to consider this item, in private session, at its next meeting.

24th Meeting, 2012 (Session 4), Wednesday 7 November 2012

Public services reform: Strand 3 - developing new ways of delivering services (in private): The Committee considered and agreed its approach to the inquiry. The Committee also agreed, in principle, to seek the appointment of an adviser in relation to this Strand of the inquiry. Furthermore, the Committee agreed to hold a discussion, in private, at the end of each meeting on the oral evidence heard, and to consider all draft reports on the inquiry in private. Finally, the Committee agreed to delegate to the Convener, under Standing Order Rule 12.4.3, responsibility for arranging to pay expenses to witnesses under the SPCB witness expense scheme.

27th Meeting, 2012 (Session 4), Wednesday 28 November 2012

Public services reform and local government: Strand 3 - developing new ways of delivering services (in private): The Committee considered a list of candidates and agreed its ranking of preferred candidates for appointment to the post of adviser in connection with Strand 3 of its forthcoming inquiry.

1st Meeting, 2013 (Session 4), Wednesday 16 January 2013

Public services reform and local government: Strand 3 - developing new ways of delivering services (in private): The Committee considered its approach to the inquiry in discussion with its Adviser.

3rd Meeting, 2013 (Session 4), Wednesday 30 January 2013

Public services reform and local government: Strand 3 - developing new ways of delivering services: The Committee took evidence from—

Sir John Arbuthnott, President, The Royal Society of Edinburgh;

Robert Black, Former Auditor General for Scotland.

4th Meeting, 2013 (Session 4), Wednesday 6 February 2013

Public services reform and local government: Strand 3 - developing new ways of delivering services (in private): The Committee considered its approach to the inquiry and agreed a revised timetable.
6th Meeting, 2013 (Session 4), Wednesday 27 February 2013

Public services reform and local government: Strand 3 - developing new ways of delivering services (in private): The Committee considered its approach to the inquiry and agreed a timetable for evidence taking. As part of the timetable, the Committee agreed to seek approval to undertake a public meeting in the South Ayrshire area, on Monday 15 April. Furthermore, the Committee agreed to include, if possible, an engagement event with a local school, as well as with local community representatives, as part of this meeting. Subject to approval for this meeting, the Committee agreed not to meet on Wednesday 17 April.

9th Meeting, 2013 (Session 4), Wednesday 20 March 2013

Public services reform and local government: Strand 3 - developing new ways of delivering services: The Committee took evidence from—

Ronnie Hinds, Past Chair, Society of Local Authority Chief Executives;

Colin Mair, Chief Executive, Improvement Service;

Mark McAteer, Director of Governance and Performance Management, Improvement Service.

Public services reform and local government: Strand 3 - developing new ways of delivering services: The Committee took evidence from—

Colin Mair, Chief Executive, Improvement Service;

Mark McAteer, Director of Governance and Performance Management, Improvement Service;

Ian Crichton, Chief Executive, NHS National Services Scotland;

Dorothy Cowie, Director, Scotland Excel;

Hugh Carr, Head of Strategic Procurement, Scotland Excel.

Public services reform and local government: Strand 3 - developing new ways of delivering services (in private): The Committee considered the evidence received.

10th Meeting, 2013 (Session 4), Wednesday 27 March 2013

Public services reform and local government: Strand 3 - developing new ways of delivering services: The Committee took evidence, in round-table format, from—

Alison Todd, Children and Family Service Director (Policy and Practice), Children 1st;
Local Government and Regeneration Committee, 9th Report, 2013 (Session 4) —
Annex I

Lorraine McMillan, Chief Executive, East Renfrewshire Council;

David White, Assistant General Manager, Edinburgh Community Health Partnership;

Ian Welsh, Chief Executive, Health and Social Care Alliance Scotland;

Derick Murray, Director, NESTRANS;

Alex Geddes, Health and Transport Steering Group co-ordinator, NESTRANS;

James Thomson, Public Sector Audit Manager, Scott-Moncrieff;

John Downie, Director of Public Affairs, Scottish Council for Voluntary Organisations;

Dave Watson, Scottish Organiser, UNISON.

Public services reform and local government: Strand 3 - developing new ways of delivering services (in private): The Committee considered the evidence received.

11th Meeting, 2013 (Session 4), Monday 15 April 2013

Public services reform and local government: Strand 3 - developing new ways of delivering services: The Committee took evidence, in a round-table discussion, from—

Joe Lafferty, Community Representative, Wallacetoun and Newton Regeneration Forum (Kyle Area);

David Kiltie, Chair, Maybole Pathfinder Project;

Peter Mason, Member, Maybole Pathfinder Project;

Lynn Anderson, Voluntary Action South Ayrshire;

Bill Logan, Project Manager, Girvan Youth Trust;

Helena Menhinick, Carrick Activity Centre, Dailly;

Andrew Sinclair, Chair, South Carrick Community Leisure;

Allan Rattray, Head Teacher, Girvan Academy and Member, Girvan Town Centre Group;

Cllr Bill McIntosh, Leader, South Ayrshire Council;

Cllr John McDowall, Community Planning Partnership Member, South Ayrshire Council;
Public services reform and local government: Strand 3 - developing new ways of delivering services: The Committee took evidence from—
Caroline Gardner, Auditor General for Scotland, Audit Scotland;

John Baillie, Chair, Accounts Commission for Scotland;

Antony Clark, Assistant Director, Audit Scotland.

Public services reform and local government: Strand 3 - developing new ways of delivering services (in private): The Committee considered the evidence received.

13th Meeting, 2013 (Session 4), Wednesday 1 May 2013

Public services reform and local government: Strand 3 - developing new ways of delivering services: The Committee took evidence from—
Councillor David O’Neill, President, COSLA;

Councillor Michael Cook, Vice-President, COSLA;

Barbara Lindsay, Depute Chief Executive, COSLA;

Adam Stewart, Policy Manager, COSLA;

David Martin, Immediate Past Chair, Society of Local Authority Chief Executives;

Pat Watters, Chair, National Community Planning Group;
Derek Mackay, Minister for Local Government and Planning, Scottish Government;

Andrew Robertson, Chair, NHS Greater Glasgow and Clyde Health Board.

Public services reform and local government: Strand 3 - developing new ways of delivering services (in private): The Committee considered the evidence received.

15th Meeting, 2013 (Session 4), Wednesday 15 May 2013
Public services reform and local government: Strand 3 - developing new ways of delivering services (in private): The Committee considered a draft report.

17th Meeting, 2013 (Session 4), Wednesday 29 May 2013
Public services reform and local government: Strand 3 - developing new ways of delivering services (in private): The Committee considered a revised draft report. Further amendments were agreed to and the Committee agreed to consider a further revised draft, in private, at its next meeting.

20th Meeting, 2013 (Session 4), Wednesday 19 June 2013

Public services reform and local government: Strand 3 - developing new ways of delivering services (in private): The Committee considered and agreed the draft Public Services Reform Strand 3 report for publication, and agreed that the report will be published on Wednesday 26 June 2013. The Committee also agreed to bring the report to the attention of all local authority leaders, and chief executives, in Scotland.
ANNEX J: ORAL EVIDENCE AND ASSOCIATED WRITTEN EVIDENCE

3rd Meeting 2013 (Session 4), 30 January 2013

Written Evidence

Robert Black, Former Auditor General for Scotland

Oral Evidence

Sir John Arbuthnott, President, The Royal Society of Edinburgh
Robert Black, Former Auditor General for Scotland

9th Meeting 2013 (Session 4), 20 March 2013

Written Evidence

Improvement Service
NHS National Services Scotland
Scotland Excel

Oral Evidence

Society of Local Authority Chief Executives
Improvement Service
NHS National Services Scotland
Scotland Excel

10th Meeting 2013 (Session 4), 27 March 2013

Written Evidence

Children 1st
East Renfrewshire Council
Health and Social Care Alliance Scotland
NESTRANS
Scott-Moncrieff
Scottish Council for Voluntary Organisations
UNISON

Oral Evidence

Children 1st
East Renfrewshire Council
Edinburgh Community Health Partnership
Health and Social Care Alliance Scotland
NESTRANS
Scott-Moncrieff
11th Meeting 2013 (Session 4), 15 April 2013

Written Evidence

East Ayrshire Council
North Ayrshire Council
Strathclyde Partnership for Transport

Oral Evidence

Wallacetoun and Newton Regeneration Forum
Maybole Pathfinder Project
Voluntary Action South Ayrshire
Girvan Youth Trust
Carrick Activity Centre
Girvan Town Centre Group
South Ayrshire Council
Dumfries and Galloway Council
North Ayrshire Council
Strathclyde Partnership for Transport
University of West of Scotland
Scottish Natural Heritage
Ayrshire Chamber of Commerce and Industry
South Carrick Community Leisure

12th Meeting 2013 (Session 4), 24 April 2013

Written Evidence

Accounts Commission and Auditor General for Scotland

Oral Evidence

Audit Scotland
Accounts Commission for Scotland

13th Meeting 2013 (Session 4), 1 May 2013

Written Evidence

COSLA
Society of Local Authority Chief Executives
National Community Planning Group
Oral Evidence

COSLA
Society of Local Authority Chief Executives
National Community Planning Group
Minister for Local Government and Planning
NHS Greater Glasgow and Clyde Health Board
ANNEX K: OTHER WRITTEN EVIDENCE

ACCOUNTS COMMISSION AND AUDITOR GENERAL FOR SCOTLAND
ANDY LIPPOCK
CATHY SHARP, FIFE ALCOHOL PARTNERSHIP PROJECT
CHILDREN 1st
DAVID ERDAL
EAST AYRSHIRE COUNCIL
EAST RENFREWSHIRE COUNCIL
FIFE CONSTABULARY
HEALTH AND SOCIAL CARE ALLIANCE
HIGHLAND COUNCIL
JACQUI MITCHELL
NHS NATIONAL SERVICES SCOTLAND
NORTH AYRSHIRE COUNCIL
NORTH EAST OF SCOTLAND HEALTH & TRANSPORT STEERING GROUP
NORTH LANARKSHIRE COUNCIL
ORKNEY ISLANDS COUNCIL
PLANNING AID FOR SCOTLAND
PROF RICHARD KERLEY
ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS
SCOTT-MONCRIEFF
SCVO
SKILLS DEVELOPMENT SCOTLAND
UNISON SCOTLAND
UNREASONABLE LEARNERS
VANGUARD CONSULTING
YMCA SCOTLAND
STIRLING COUNCIL
COSLA
STRATHCLYDE PARTNERSHIP FOR TRANSPORT
WEST DUNBARTONSHIRE COUNCIL
WEST LOTHIAN COUNCIL
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