

FINANCE COMMITTEE

Tuesday 29 September 2009

Session 3

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FINANCE COMMITTEE

22nd Meeting 2009, Session 3

CONVENER

*Andrew Welsh (Angus) (SNP)

DEPUTY CONVENER

*Jackie Baillie (Dumbarton) (Lab)

COMMITTEE MEMBERS

*Derek Brownlee (South of Scotland) (Con)

*Linda Fabiani (Central Scotland) (SNP)

*Joe FitzPatrick (Dundee West) (SNP)

*James Kelly (Glasgow Rutherglen) (Lab)

*Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

*David Whitton (Strathkelvin and Bearsden) (Lab)

COMMITTEE SUBSTITUTES

Gavin Brown (Lothians) (Con)

Kenneth Gibson (Cunninghame North) (SNP)

Lewis Macdonald (Aberdeen Central) (Lab)

Liam McArthur (Orkney) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Professor Lorne Crerar

Jon Harris (Convention of Scottish Local Authorities)

Jim Martin (Scottish Public Services Ombudsman)

Councillor Ronnie McColl (Convention of Scottish Local Authorities)

Lucy McTernan (Scottish Council for Voluntary Organisations)

Douglas Sinclair

Adam Stewart (Convention of Scottish Local Authorities)

Jennifer Wallace (Consumer Focus Scotland)

CLERK TO THE COMMITTEE

Dr James Johnston

SENIOR ASSISTANT CLERK

Mark Brough

ASSISTANT CLERK

Allan Campbell

LOCATION

Committee Room 2

Scottish Parliament

Finance Committee

Tuesday 29 September 2009

[THE CONVENER *opened the meeting at 14:01*]

Decision on Taking Business in Private

The Convener (Andrew Welsh): Good afternoon and welcome to the 22nd meeting of the Finance Committee in 2009. No apologies have been received from members. I ask everyone to turn off their mobile phones and pagers, please.

Agenda item 1 is to decide whether to take in private item 3, under which the committee will consider briefings from its budget adviser and the Scottish Parliament information centre on the Scottish Government's draft budget for 2010-11. In line with our standard practice, I recommend that we do so. Do members agree?

Members *indicated agreement.*

Public Services Reform (Scotland) Bill: Stage 1

14:02

The Convener: Item 2 is continuation of our evidence taking on the Public Services Reform (Scotland) Bill at stage 1. I welcome to the meeting our first panel of witnesses. Professor Lorne Crerar is the former chair of the independent review of regulation, audit, inspection and complaints handling of public services in Scotland; and Mr Douglas Sinclair is the former chair of the fit-for-purpose complaints system action group.

Will the witnesses briefly outline their involvement in the reports that were produced and their overall thoughts?

Professor Lorne Crerar: I was the independent chair of the review of regulation, audit, inspection and complaints handling of public services in Scotland, which took 14 months. The bulk of my work was completed in that period, and my role is now almost complete. I have appeared before the Finance Committee on another occasion.

Douglas Sinclair: The fit-for-purpose complaints system action group was established to provide ministers with proposals for simplified complaints procedures for all public sector organisations and proposals for overseeing the new system. It is fair to say that our group had a significant advantage over the other four groups that the Government established to take forward different strands of Lorne Crerar's report. We had a solid foundation on which to build; indeed, we accepted all the Crerar recommendations, save the suggestion that the Scottish Public Services Ombudsman should no longer be the final court of appeal. That is principally because we took the view that the public legitimately expect that those who review complaints will be independent from the organisation or sector that is being complained about.

The key aim of our report can be summarised in one word: simplification. The aim is to simplify complaints processes and the complaints landscape. We saw three benefits of doing so. First, we saw benefits for consumers as a result of complaints systems being easier to navigate. Consumers would then have a more consistent experience. Secondly, we saw benefits for public services, because the sooner complaints are resolved, the greater the trust in public institutions will be. Thirdly, we saw benefits for the taxpayer, because the earlier complaints are resolved, the greater the savings to the public purse will be.

I stress the importance of getting the culture right in organisations. That is perhaps the most important thing. Complaints should be seen not as threats, but as opportunities for improvement. Public service providers should empower complaints handlers with the authority to resolve as many complaints as possible at the first level. The key issue is not the number of complaints that an organisation receives; it is where those complaints are resolved. The earlier that they are resolved, the greater the learning and the greater the saving.

As the committee will know, our recommendations on process, landscape and culture change have been discussed in detail during committee consideration of the review of Scottish Parliamentary Corporate Body-supported bodies. Following that discussion, provisions to move forward on those recommendations will be introduced by the Government at stage 2.

The Convener: You talked about simplification, benefit to the taxpayer and empowerment through organisational culture change. Are you satisfied that that will happen or is likely to happen?

Douglas Sinclair: The focus has perhaps been too much on organisations that deal with complaints at the third level, such as the ombudsman. The light needs to shine on getting complaints resolved quickly at the first level. In order to do that, as we have suggested, organisations must empower staff with the authority to deal with complaints and they must address the status, rewards and qualifications of complaints handlers in organisations.

There is an interesting contrast with the way in which the private sector sees complaints. In the private sector, there is a choice: if someone is not satisfied with Marks & Spencer, they can go to Debenhams. However, as we state in our report, in public services too many customers do not have that opportunity. They are “captured customers” as we describe them—they cannot exit. Therefore, there is an even greater responsibility on public service organisations to get it right. That can be done if there is investment in the skills of complaints handlers, who should be seen as important ambassadors in the organisations. People’s experience of an organisation when they phone the receptionist or make a complaint will colour their overall impression of the organisation, so it is in the interest of public service organisations to get it right. That can be done with the right investment.

The Convener: I invite questions from members.

Joe FitzPatrick (Dundee West) (SNP): Some of the evidence that we have heard has suggested that the bill does not go far enough. As two of the

people who have been involved in much of the thinking behind the Government’s proposals, do you agree with that? If so, what should be added at stage 2?

Professor Crerar: The suggestion that the bill does not go far enough is a little unfair. When I carried out my review, which came up with radical proposals, I knew that it would take time for the process to evolve and that it would be a journey. One of my recommendations was that, ultimately, there should be a single scrutiny body rather than a large number of them; however, I recognised that as a long-term ambition that we would have to move towards. There is some movement in the bill towards reducing the number of bodies and creating new ones that amalgamate previously existing ones. Nevertheless, it is a journey and I accept that it will take time.

The key issue is independence. I make it quite clear that I think that scrutiny bodies should be independent and uninfluenced by both Government and Parliament in the decisions that they make. For that reason, the proposed new health body will be another trust. I would prefer it to be a non-departmental public body, as that would make it more distant from Government and would give it more credibility with the citizens of Scotland when it made its pronouncements on the performance of our health care providers.

Douglas Sinclair: The proposals relating to complaints handling are radical. A move to a standard complaints system across social care services in our 32 councils, for example, would be a bold and forward-looking step. It would continue the tradition of Scotland leading the way in dealing with complaints, which began in 2002 when the SPSO was created. That would be well ahead of any other part of the United Kingdom. There is a fundamental principle that good governance should not come in 32 varieties. The public should get a consistent experience; it should not depend on a postcode lottery.

Linda Fabiani (Central Scotland) (SNP): I am interested in what Mr Sinclair said about the culture of complaints handling in public services. Everyone here will acknowledge that when folk complain they sometimes feel that the ranks just close and people batten down the hatches; it is as if they are hitting their head against a brick wall.

You used the phrase “the right investment”. What do you mean by that in the context of changing the culture, not just of large public bodies, such as the police and national health service bodies, but of councils and smaller public bodies?

Douglas Sinclair: The starting point is to say that we do not have any real handle on how much complaints cost in the public sector. I stand to be

corrected, but I do not know of any organisation—I certainly know of no local authority—that knows the cost of dealing with a complaint at stage 1 or at stage 2. The ombudsman might have information on the average cost of dealing with a complaint once it goes beyond that stage. It is a huge amount of money.

A huge amount of money is wasted because 50 per cent of the complaints that go to the ombudsman go there too soon. As you know, if someone has a complaint against their council, they have to start off with the council; money is wasted because people start off by complaining to the ombudsman. It is a question of redirecting the resource that is wasted into improving the skills and qualifications and, indeed, the status of complaints handlers. That is why we said that councils should review their schemes of delegation. In all public bodies, the most important issue is to try to ensure that decisions are taken as close to the user—the customer—as possible. That requires the adoption of a more grown-up attitude by our local authorities. They also need to empower complaints handlers by giving them the authority to resolve complaints. If a complaint cannot be resolved by the front-line employee, an attempt should be made to get it resolved by a complaints handler, because that will offer a saving to the public purse, and it will increase the user's satisfaction and the trust that they have in the organisation.

You spoke about people feeling as if they were hitting their head against a brick wall. Having a good experience with a local authority is something that people will relate to; they will think, "Well, they listened to my complaint." Not all complaints will be resolved, but if people can understand the process that has been gone through and the reasons why complaints are not always upheld, that is a sign of quality public services. Surely we all want to travel in that direction.

Linda Fabiani: I am aware that most organisations that provide public services have complaints procedures. Do you agree that that is often about ticking the box and saying that they have procedures in place, rather than empowering the complainer and the person who has to deal with the complaint?

Douglas Sinclair: That is probably true. The stages vary enormously. For example, we were struck by the fact that the Scottish Commission for the Regulation of Care, which regulates care homes, requires care homes to have a complaints procedure, but does not specify what it should be. That means that elderly people face a postcode lottery. There could be a good complaints procedure in one place in Paisley, say, but an extremely bad one in six or seven places in

Aberdeenshire. That strikes us as nonsensical. There should be a standard complaints procedure for care homes.

The same is true of housing associations. That is why we suggested that for each sector there should be a standard complaints procedure with specified stages. The first stage should be to try to achieve informal resolution. If that cannot be done, internal resolution should be attempted. The third stage is external review by the ombudsman. We should shorten that process and make it as quick as possible, but in order to make it quick and effective, we should delegate to complaints handlers the authority to make decisions to resolve complaints. That is what the business of providing good public services should be about.

The Convener: If there were a single body for handling complaints, I presume that, ideally, it would be a one-stop shop that people could complain to and which would deal with those complaints. The Crerar report recommended that there should be a single scrutiny body, whereas the bill advocates two. Could a single scrutiny body cope with the range, volume and variety of complaints that would head in its direction? Co-ordination would be an issue, given the variety of complaints and the complexity of specialist responses that would be required. Will you explore the issue of the size of such an organisation, if it were a single organisation? There is no point in creating a gigantic bureaucracy. What would be the best approach to maximise the qualities that you said that you were looking for?

Douglas Sinclair: To be fair to Lorne Crerar, I do not think that he was suggesting that there should be a single body for complaints. He was saying that, ultimately, there might be a single scrutiny body. I do not want to put words in his mouth, but I think that that was the direction of travel that he was outlining. Over time, one could imagine complaints being aligned with scrutiny, although they are not the same thing as scrutiny.

In the report, we suggest that it is possible to tidy up the complaints landscape by adding to the SPSO bodies that handle complaints on matters such as prisons, buses, ferries and water. I do not believe that complaints about water, which are currently handled by Waterwatch Scotland, are different from complaints about roads; there is nothing unique about them. My group did consider whether, in some cases, there was a *prima facie* case for suggesting that complaints handling should remain as a stand-alone operation. One example in which we ultimately recommended that it should was the care commission. In that case, we felt that there were powerful arguments for leaving the situation alone because the care commission deals with incredibly vulnerable people and speed of response is important.

However, that is not to suggest that the ombudsman could not deal with such cases.

On the other hand, we said that police complaints should be revisited during the current session of Parliament to determine whether there is still a justification for having a separate police complaints administration.

I return to the point that the Parliament started off with the positive approach of bringing complaints handlers together but that it then decided to diverge from that. With respect, there does not seem to be a huge amount of logic in going down the separation road. The more you can create a complaints-handling body with a one-door approach and one telephone number for the public, the better. If a user has a complaint about their housing today and a complaint about water tomorrow, why should they have to go through the hoops of calling two different telephone numbers? Why not make it simple? That is why we propose a signposting agency. I return to my point that 50 per cent of complaints are referred to the ombudsman too soon. The idea of having a single telephone number is that, whatever someone had a complaint about—a washing machine that they bought in Currys or a complaint about their council—if they were not sure where to go, Consumer Direct in the Western Isles would act as a signposting agency and tell them who to get in touch with to complain. We need that one-door approach that makes it easy for the public, and we need it to be accessible through a telephone number because 40 per cent of Scots do not have internet access. To me, such a service would represent good public service because it would make life easier for users of public services.

The Convener: Do you wish to add to that, Professor Crerar?

Professor Crerar: Only by way of example. My review disclosed that it is difficult for the consumer of public services to navigate the myriad of complaints-handling systems. A complaint is a complaint. The purpose of the review and its proposals was to simplify the system. Douglas Sinclair's group has considered and teased out the practical realities of how that would work. As he said, I did not suggest a single complaints body, but I hope that, in time, it will inexorably become common sense for complaints handling to be aggregated into a smaller number of bodies.

The Convener: Thank you for that clarification.

James Kelly (Glasgow Rutherglen) (Lab): I was going to ask about complaints handling and which proposals Mr Sinclair believes should be taken forward at stage 2, but he covered that topic extensively in his previous answers. Instead, I will ask about user focus, which was covered in detail in the Crerar review. What are the panel's views

on the provision in the bill that places a duty of user focus on some of the scheduled bodies?

Professor Crerar: A key principle of how scrutiny should be carried out in the public sector is that there should be user focus. Many scrutiny bodies stated in their evidence to my review that they had such a focus and that they took users into account in scrutinising services, but I think that that was a case of gilding the lily. At one level, the purpose of the review was to say that we need much more user focus in scrutiny bodies and to ensure that they are providing us with reassurance. One issue in the bill is around user focus and who the user is. The intention in my review was that that was the public and those who use the services, not the service provider.

Douglas Sinclair: The duty of user focus will encourage public authorities to change their culture. That takes us back to Ms Fabiani's point about the need to change the culture in organisations and get them to think about users' needs. I can think of an analogy. In 1995, when we had local government reorganisation, the Conservative Government introduced a duty on councils to produce schemes of decentralisation. That encouraged councils to think about what decisions to decentralise and which things to delegate to local communities. That helped to create a culture that not everything needed to be decided at the centre of the organisation and that decision making should be pushed down. The bill will have the same cultural effect because it will encourage public bodies to think about how well they serve users' interests and capture their views.

I was interested in the points that Michael Clancy of the Law Society of Scotland made. A distinction can be made between a user focus and a public focus, and there probably is an argument that some bodies should be exempt—as a member of the Accounts Commission, I declare an interest—if they do not have a direct user focus but serve a wider constituency.

Jackie Baillie (Dumbarton) (Lab): Politicians are notorious for fiddling about with numbers, architecture and structures. I understand that the approach that underpins the bill is a numeric target. Is that the right starting point?

Professor Crerar: The bill seems to have followed the logic of the review's proposal on scrutiny bodies. I said that there were too many bodies, there was too great a burden and the bodies should be reduced. I also said that the long-term objective was to reduce the bodies to one and that, in the short and medium term, the number of bodies should reduce. I did not have the time or resource to analyse which bodies should go and how quickly that could happen. That was not within the ambit of my review.

Douglas Sinclair: The work that the action group did on complaints was driven not by numbers but by the agenda of creating a one-stop shop to give users a more consistent, coherent experience.

Jackie Baillie: I understand that it is simpler for consumers and that that was your objective, but have you any evidence that that approach will reduce the regulatory burden that is placed on those who are scrutinised?

Professor Crerar: I do not have any evidence post the review. When I drafted the proposals, I assumed that, if we changed the way that we carried out scrutiny—that is to say, if we changed the focus from inspection to outcomes, changed the demeanour and underlying principles of the scrutiny, reduced the number of bodies and enabled and equipped service providers—the burden on service providers would lessen. The logic of that seemed to be inexorable. I took evidence from a large number of service providers, who were clearly of the mind that, if we did that, they would be better equipped and have more time to do what they were asked to do.

Douglas Sinclair: I gently suggest that “burden” is not the right word in relation to scrutiny, because scrutiny reassures the public that all is well. We need to move to more proportionate scrutiny. For some bodies, that will mean less scrutiny because they perform well but, for others, it may mean more. The key challenge is for bodies, particularly local government, to develop performance management systems that are fit for purpose and reassure the scrutiny bodies that all is well. That point was well made in the Crerar report.

Jackie Baillie: Does the bill provide the framework to achieve that or is much more substantial culture change needed? Could the bill lead to the merger of bodies without the systems being combined in the way that we envisage?

Professor Crerar: That depends on how the process is carried out. In the review, we explain—coherently, I hope—that it is fundamental that the old way not persist into the future in the new way. We ask what the purpose of scrutiny is, who chooses to use it, what scrutiny should be employed if we choose to use it and how it will work. The new way must be very different. It will go from being, in some cases, an inspection regime to a testing of outcomes with self-assessment. As I say in the review, I do not doubt that cultural change is an enormous challenge. There will be a need for that change and I accept that it will take time.

Jackie Baillie: I have a question to test that more proportionate approach to scrutiny and self-assessment. You may or may not be aware that

the outbreak of *Clostridium difficile* at the Vale of Leven hospital came about because two different health boards self-assessed themselves twice but patently failed the consumer. How is self-assessment more proportionate? I would have thought that we would need some kind of monitoring of what was self-assessed.

Professor Crerar: As a general principle, it is important to understand that there has been an enormous growth of scrutiny in the public sector in the past 10 years. The review has a lot of information about what that has meant in terms of numbers of bodies and cost to the public purse. The question was whether the creation of more and more bodies meant that public services were failing or improving. There was a lot of evidence that the increased amount of scrutiny was about feeling more comfortable and obviating complete risk. That has happened not only in Scotland but in many jurisdictions in Europe—a natural thing to do is to create more scrutiny in order to obviate more and more risk. However, a lot of evidence—even from the scrutiny bodies—was that that trend had gone too far. We have an advanced service delivery system, and we could have a more proportionate approach—that was the phrase that was often used—to the way in which we test the market. We cannot get rid of risk completely. The approach of the care commission, for example, is important in that regard. It inspected care homes every year and knew the good homes and the bad homes. It could not change the direction of focus on to the poorly performing ones.

Proportionality is about using the scrutiny tools that you have to the best public effect. Self-assessment is not about self-delusion, but I was very aware, during the review, that that can sometimes be the case. Part of the job of scrutiny bodies is to ensure that a robust self-assessment system is embedded in the providers. Excellent self-assessment systems exist in and outwith the public sector and people must learn from those systems to ensure that the example that you gave me does not happen again.

Douglas Sinclair: I do not think that there is necessarily a contradiction between a focus on self-assessment and a requirement for bodies to be subject to inspection in relation to what are regarded as national risks. The two can go together. I do not think that any public body should be inspected in isolation. There might be issues that go across the whole of a sector—as hospital infection goes across the whole of the health sector—in relation to which bodies will be subject to inspection based on national priorities, regardless of how good their records might be.

Jackie Baillie: Professor Crerar, you raised the issue of independence and accountability in the

context of the health scrutiny body and your desire for it to be a non-departmental public body.

We have had a lot of evidence on the order-making powers that would rest with ministers, and the threat that they are seen by some to pose to the independence of organisations and individuals in the list of organisations in schedule 3, which includes the Auditor General, the Accounts Commission and Scotland's various commissioners. How much does that perception of a loss of independence matter in public service reform?

Professor Crerar: In terms of the example that you gave of the C difficile outbreak, I would hope that you would have the health regulator here explaining how it happened. That is true accountability.

I have not gone into the detail of the bill to sufficient extent to enable me to talk about particular powers that it will give to ministers and how they will impact on the independence of those bodies. However, I understand the fears around the threat of the abolition of bodies by Government. During the review, the independence of those bodies struck me as being absolutely critical. I thought of it as being a cornerstone of a new scrutiny regime. I hope that Parliament and Government will act in a sensible way in relation to however that is managed and patrolled. I hope that it is a matter of complexion rather than substance.

David Whitton (Strathkelvin and Bearsden) (Lab): Does the bill meet the five principles that you said should govern the application and use of external scrutiny, namely: independence, public focus, proportionality, transparency and accountability?

Professor Crerar: Yes. When I read the bill, I was relieved to see that it incorporates what I saw as being the key drivers of my review. I think that it encapsulates the review's underlying intentions. The principles are present in the bill. I was comfortable with what I saw. I have mentioned the issue of independence, which is important.

The Convener: In its submission, the Convention of Scottish Local Authorities suggests that it would have been preferable, in advance of a move to a single scrutiny body, to have transitional arrangements that allowed

"inspection bodies to focus on children's and adult services, rather than splitting them along traditional education and social work lines."

Does the panel have any views on COSLA's alternative proposal?

Professor Crerar: No, I have no view on that. I understand the logic behind having healthcare improvement Scotland and social care and social

work improvement Scotland. I saw the point in the COSLA submission but, without diving into the issue too deeply, I am comfortable with the proposals in the bill.

Douglas Sinclair: I have no view on the matter.

The Convener: There are no other questions from members. If the witnesses have no last-minute comments to add, I will suspend the meeting for a few moments while the next panel of witnesses take their seats.

14:30

Meeting suspended.

14:32

On resuming—

The Convener: Our next panel of witnesses is from COSLA: Councillor Ronnie McColl, spokesman on health and wellbeing; Jon Harris, strategic director; and Adam Stewart, policy manager. They are all welcome.

I will start with a general question. COSLA's submission is supportive of the bill's general direction of travel, but it notes that

"this positive direction of travel needs to be sustained beyond the specific provisions of the Bill in order to fully realise the long term benefits that are possible for communities."

Will someone perhaps expand on that point?

Jon Harris (Convention of Scottish Local Authorities): The point relates to the recommendation in the Crerar review that we should move over a period of time to having a single scrutiny body. We understand and accept that that involves a staged process, in which the bill is one step.

On the earlier question about whether the bill is right to provide a scrutiny body for health and a scrutiny body for social care and children's services, I would follow on from Lorne Crerar's comments by saying that we believe that our proposal would be more user focused. In local government, the direction that we are going in is to join up services for children and services for adults.

Councillor Ronnie McColl (Convention of Scottish Local Authorities): Over the past two years, councils and their partners in delivering services have become more outcome based, so we should look towards that sort of avenue of scrutiny. Rather than examining the functions, we should examine the outcomes at local level.

Adam Stewart (Convention of Scottish Local Authorities): We are quite ambitious about what could be achieved through the reform of audit and

scrutiny. The bill as introduced delivers many of those aspirations, but the longer-term agenda that lies ahead will take some time to progress.

Linda Fabiani: I recognise that COSLA can speak only for councils, but it will have perceptions about the partners to which Councillor McColl referred. Mr Sinclair's view on the cultural change that is required in many places is interesting. Do you share that view? If so, is there an appetite for change in the bodies that serve the public?

Councillor McColl: There is an appetite for cultural change. Local government has been through a lot of change in recent times, simply because of the way in which we deliver services. We no longer deliver services in silos—better working with partners is a success of the past couple of years—but greater emphasis must be put on self-scrutiny.

I understand Ms Baillie's earlier comments on self-scrutiny in the health service and the example that she gave of Vale of Leven hospital. However, councils are slightly different from other bodies. Council officers are the delivery agents and councillors are the strategy and scrutiny agents. Greater emphasis needs to be put on scrutiny and on councillors' role in the organisation in that regard.

Linda Fabiani: That is interesting. As Mr Sinclair said, all 32 local authorities have their own complaints procedure and way of dealing with things. Is there a role for standardisation in that regard, or would that be difficult to do, given that different geographical areas and communities have different ways of dealing with issues?

Councillor McColl: It might be difficult to get a system that can be applied across all 32 authorities. As the diversity of the single outcome agreements shows, there is no single way of assessing and scrutinising things. There should be greater clarity on the process at the local level; that would assist not only the scrutiny agents, but local service users in their engagement with services.

Linda Fabiani: As Councillor McColl rightly said, strategy is very much in the remit of elected members. Is there room for elected members to take on board that they have a strategic role in simplifying and standardising where possible the engagement between consumers and council officers, and the treatment that the consumer should expect in making a complaint?

Councillor McColl: Absolutely. That is the role of councillors. Many people who come to our surgeries feel that they have not been dealt with correctly. They are looking for clarity on how to engage.

James Kelly: Your submission says that you

"expect the Bill to deliver significant cost and productivity savings."

As the financial memorandum shows, it will be 2013-14 before we arrive at the net savings position of £3 million. What is your view on the robustness of the schedule of costs and savings? Is it ambitious enough?

Jon Harris: In the current financial circumstances, we are looking for a little more—we want a little more delivered a little more quickly. I understand that a decision may have been taken to reduce the budgets of some scrutiny bodies as a staging post to making savings. We want the Government to focus resources on front-line delivery. That is where we would put our emphasis.

James Kelly: Your submission also says that there was

"no specific evidence of the projected savings for local government".

What impact do you think the financial memorandum will have on local government, bearing in mind that, in the initial years of the bill's implementation, there will be an outlay rather than savings? Does local government expect to take a financial hit in the coming years before we see savings?

Jon Harris: There are two issues. The financial memorandum provides an overview of savings within a particular timescale. We would like the process to be speeded up. If scrutiny were organised in a much more proportionate way, linked to single assessment of risk and so on, the burden on local government would be reduced. That would result in a significant reduction in the level of scrutiny of those councils that were performing well and in scrutiny resources focusing on those councils that were not performing. In our view, scrutiny should follow need. With cyclical scrutiny, everyone is subject to the same level of scrutiny. We want scrutiny to be focused more on risk. We believe that, overall, the 32 councils are performing better year on year, which should lead to a significant reduction in scrutiny.

David Whitton: In your written evidence, you say:

"We are keen to ensure that this simplification programme does not stop at merely reducing the number of bodies by 25%."

Would you care to offer a figure for what you think the reduction should be?

Jon Harris: The figure of 25 per cent came from the work that the Accounts Commission pulled together. The commission estimated that the number of scrutiny days experienced by councils would fall by about 25 per cent. That figure was based on the evidence that we collated on the

level of scrutiny in the previous financial year. It is clear from our submission that we are looking for more, but we know that that will take time. We expect the amount of scrutiny to change as we get better at robust self-assessment and driving improvement. There will be fewer scrutiny events or scrutiny days.

Councillor McColl: In the past year, my council has been the subject of an extensive Social Work Inspection Agency report. We have had numerous Her Majesty's Inspectorate of Education inspections and an inspection of education authorities inspection of our complete educational services; we have also been scrutinised by Audit Scotland. A lot of the scrutiny took place at the same time, and much of the information that was provided affected various reports. That level of scrutiny takes up a heck of a lot of officers' time and prevents them from doing their normal jobs. As councils try to drive through savings and efficiencies, there will be fewer council officers to do all that work.

Greater self-assessment is taking place within councils, because of the need for us to adhere to and deliver on single outcome agreements. I would like more of the work in which officials are engaged to be used as evidence of how services are being run in particular areas. Bodies are coming in to carry out blanket reviews of services when good information is already available.

David Whitton: Is much of the official scrutiny—for want of a better description—that takes place getting in the way of councils doing in-house scrutiny?

Councillor McColl: We do a lot of in-house scrutiny, at two levels. Officers look at their departments, the delivery of their targets and how they do their jobs. Scrutiny is also done every day by councillors in committees. SWIA has looked at how scrutiny is done within a council and it says whether a council's internal process is good. We should focus on those councils that do not have a good internal process and which might not be delivering on the scrutiny factor. It all comes down to targeting what is scrutinised and where. That is where savings could be made, without any detriment to service, if anything comes out of the bill.

14:45

The Convener: Why does all the scrutiny take place at the same time? Does it have to, or does it just work out that way? For example, Audit Scotland has a rota so it knows the timings. Why do the inspection bodies suddenly just gang up together, so to speak?

Councillor McColl: You tell me. It is the same syndrome that applies when the council digs up

the road to fix something—as soon as the road is reinstated, the water board comes along and digs it up again. It is as if the inspection bodies say, "Someone is in there, so we all need to get in there." We have no control over when we are scrutinised.

David Whitton: Mr Sinclair talked about 32 authorities having 32 different complaints procedures, and about how some are better than others. Surely if COSLA exists for anything, it is to ensure that all the authorities work at the best level. Do you not give advice on best practice to your 32 council members?

Jon Harris: We are already committed to what Douglas Sinclair has done on the complaints procedures. We were part of the group that came up with the proposal. We are working with our councils on how to make that work in practice.

David Whitton: Better late than never, I suppose. Nevertheless, some progress is to be welcomed.

In your evidence about the creation of social care and social work improvement Scotland and healthcare improvement Scotland, you seem to want to take a different route from what is proposed in the bill. Why would your suggestion be better than what is proposed in the bill?

Councillor McColl: It seems to us that it would be more sensible to look at, for example, children's services across the education and social work sectors. Government policy is cross cutting—it does not stop at social work, with a separate policy for education. If services are delivered not in silos but across the board, they should be scrutinised across the board, too.

David Whitton: Your contention is that it would be more efficient to do it that way than as is currently proposed.

Councillor McColl: Yes.

Jackie Baillie: I had not intended to raise the issue of West Dunbartonshire, but as Ronnie McColl and I share an interest in that geographical patch, does he agree that SWIA identified West Dunbartonshire as having an excellent social work service, so the requirement to scrutinise that council should be less? However, I think that he will acknowledge that the Audit Scotland scrutiny was not routine but a follow-up, and it still has concerns. Indeed, the housing regulator scrutiny was also a follow-up and it, too, had concerns. As a councillor, does Ronnie McColl agree that Audit Scotland and the housing regulator should have a more enhanced scrutiny role in West Dunbartonshire because that would give additional comfort to elected members and, indeed, to constituents?

Councillor McColl: Yes; if an area of concern is identified in any council area—not just in West Dunbartonshire—that is where scrutiny should be done. Scrutiny should be targeted on those areas in which there is a worry that things are not correct.

In the scrutiny of West Dunbartonshire, we found that two of the major services that we deliver—education and social work—were very good and there was an improvement in housing. If the scrutiny organisation were to be a bit more positive about what it thinks should happen, that would help—it would be a wee bit more productive locally than just criticising what is there.

Jackie Baillie: So, report writers should be balanced.

In your submission, you give an unqualified welcome to the order-making powers in part 2. That runs contrary to the evidence that we have received, in which most people have been concerned that the powers will disturb the balance between parliamentary scrutiny and Government action. In light of the evidence that we heard earlier, do you have concerns that the order-making powers should apply to anyone or any of the bodies whose independence is critical—for example, to the Auditor General for Scotland or indeed the Accounts Commission?

Jon Harris: That is not one of the areas of the bill on which we focused. We felt that the provision of order-making powers—rather than simply the introduction of bills in the Scottish Parliament—might help to ensure that the pace of change was kept up year on year. We understand that the powers come with safeguards, in that significant change cannot be made without primary legislation. We felt that others might want to say more than us about the powers.

Jackie Baillie: I wondered about that, because the last line of the paragraph in your submission is:

“COSLA would therefore expect a full and active role in connection to any proposed use of this power.”

Will you explain in what way?

Jon Harris: We had an issue with how that power could impact on local government, and we were assured that it would not.

Jackie Baillie: Innocuous though that sentence in your submission is, I wonder whether you are planning to acquire other public sector bodies. I used to work in local government, so I know that we empire build.

Jon Harris: That was not the context of the sentence, but if you have something to offer—*[Laughter.]*

Adam Stewart: That line in the submission relates to there being powers in the bill that could confer additional duties on local government. We thought it important that we put a line in the sand to ensure that were such duties to be conferred, we should have a dialogue about it at the appropriate stage.

Jackie Baillie: So it is a potential acquisition of more bodies.

Adam Stewart: No, it is a realisation that there is potential and if that potential were to be developed, we would have to look at it carefully.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): The point has been made that, in your submission, you support the order-making powers in part 2. Almost the entirety of your evidence is about the burden on local government of the regulatory and scrutiny bodies, which I understand completely. All those bodies are listed in schedule 3. Their powers can be amended by secondary legislation, which you very much support. I cannot understand why you do not think that that would have any consequences for local government.

Adam Stewart: We think that there is a longer-term agenda. We have already said that although we welcome what specific provisions in the bill will achieve, other things can be achieved further down the line. We also recognise that primary legislation is not always the most appropriate way of doing that; often it is, but when it is not we welcome the power to make those changes that will make our work more proportionate and scrutiny more targeted. We would like there to be a situation in which those changes could be made speedily and efficiently.

Jeremy Purvis: However, you do not know what will happen. We are talking about a bill, not a letter that says, “It will never happen.” You have an opportunity to tell the Parliament that there are concerns about the bill. Did the Government consult you about the bill?

Adam Stewart: That is correct.

Jeremy Purvis: When were you consulted? Many people who have given evidence have told us that they were not consulted.

Jon Harris: We were not consulted on the detail of the bill—I think that we saw the bill after the committee saw it. However, we asked what could and could not be done under part 2 in relation to local government and we were assured that provisions would limit the application of the powers.

Jeremy Purvis: Mr Stewart said that COSLA was consulted on the bill.

Adam Stewart: I am sorry. I meant that we provided written evidence at stage 1, rather than that we were consulted prior to the bill's introduction.

Jeremy Purvis: You were talking about the Parliament's scrutiny rather than Government consultation. Did the Government tell you that although part 2 would provide for powers that would affect all the bodies that are scrutinised in local government you should not worry because it would all be fine? Did COSLA respond by thanking the Government very much for that?

Jon Harris: We did not go into such detail. The main issue that we discussed was how to reduce the number of scrutiny bodies in the landscape. We made the point that if we had had a choice, we would have gone for integrated children's services and adult services.

Jeremy Purvis: I will move on. Has the burden of scrutiny reduced during the past couple of years as a result of the single outcome agreements process?

Councillor McColl: It has not necessarily reduced. I talked about what happened in West Dunbartonshire; if anything, that kind of scrutiny has increased.

Some areas should probably receive more scrutiny than do other areas that are currently scrutinised. For instance, we are trying to offer more care in the community. Groups that represent elderly people have expressed concern about the scrutiny of service provision and about how scrutiny bodies engage with service users. It is a brave service user or family member who criticises a service, knowing that the service will be provided to the user the following day. We need to consider how we engage to ensure that there is scrutiny of providers of care in the community. I am keen for such work to be taken forward.

Jeremy Purvis: Given that single outcome agreements have placed more requirements on council staff, what will be the net benefit of the bill for local authorities?

Councillor McColl: We hope that scrutiny will be more targeted at areas in which problems have been identified, to ensure that standards are raised, and we hope that self-assessment will be the way forward for councils that have been scrutinised and are seen to be delivering in certain areas.

Jon Harris: We are still developing proposals on the best value 2 approach to single risk assessment and corporate governance. We piloted the approach in a number of councils. That work has been completed and full BV2 implementation will start either before Christmas or soon after. Therefore, the new system is not in

place. There has been some movement on HMIE's handling of inspections of individual schools, for example, and the amount of scrutiny has been reduced, but we will, I hope, get the biggest gain when we implement the new system, which should be in November, December or January.

15:00

Jeremy Purvis: I asked the question that I asked because in the final sentence of your submission, you state that you

"expect the Bill to deliver significant cost and productivity savings."

I cannot find anywhere where it would do so, and I cannot recall anything that you have said that indicates that there will be such savings. Why is that sentence in your submission? It is clear that there is no evidence to back up the idea that significant cost and productivity savings will be delivered as a result of the bill.

Jon Harris: There are two issues. The merger of bodies and bodies focusing more on risk assessment will result in significant cost savings. We have also looked beyond that. There are duties to support improvement and involve users. We think that they give us justification to move into developing BV2. There is a rationale for that. We envisage that the bill will result in savings from the reorganisation of scrutiny bodies and that, in the longer term, it will support a proportionate risk-based approach to scrutiny.

Jeremy Purvis: Would such things not happen without the bill? Would best value 2 changes and changes in the way in which scrutiny bodies operate halt if there was no bill? Statutorily, they are not connected, are they?

Jon Harris: The duties to work together, involve users and support improvements are positives. That is the only connection. Beyond that, the bill does not need to exist to deliver the best value 2 scrutiny framework.

Derek Brownlee (South of Scotland) (Con): We have received a lot of evidence on the order-making powers in part 2 of the bill. COSLA may be the only organisation that is positive about those powers; if not, it must be in a very small minority. What would COSLA's view be if an amendment was lodged at stage 2 to add local authorities to schedule 3?

Jon Harris: It depends on what was introduced.

Derek Brownlee: If all local authorities were to be subject to the same reorganisation potential as the organisations that are already listed in schedule 3, would COSLA take a different view of that schedule?

Jon Harris: I do not think that we have ever considered that.

Councillor McColl: We do not have a mandate or a considered view on that. Obviously, COSLA would deal with the matter if such an amendment were lodged. We would certainly give you a response at that time.

The Convener: That was a nice attempt at public negotiation.

Linda Fabiani: My question is an information-gathering question. I presume that there was a lot of discussion with the councils and COSLA during the Crerar review and the work of the Sinclair fit-for-purpose complaints system action group. When we talk about complaints in particular, we tend to focus on individuals. Councillor McColl talked about old people who get services, but councils have other consumers, such as voluntary groups that provide services for them, voluntary groups that receive grants and businesses that procure services.

Was there any discussion about whether a culture change in how those groups are dealt with is necessary? I am thinking of Councillor McColl's contention that an elderly person who gets services would be loth to complain because they get the same service the next day. Over the years, I have heard voluntary organisations say that they are frightened to complain in case they do not get their grant in the following year or that they think that openness and transparency are inhibited because complaining might affect their ability to be awarded service contracts in the future. Was that issue discussed?

Councillor McColl: I think that it was, but a better system is now in place with the community planning partnerships. A lot of the joint work that is done with voluntary organisations or, for that matter, with businesses, tends to be done through the community planning partnerships, so they are partners at the table. Because the partnerships are now part of the single outcome agreements, they have had to sign up to doing things in a structured way. In my own area—and I know in other areas as well, because I have seen them in operation—very good systems are in place through the partnership scheme. For example, thematic groups look at how we deliver outcomes for people in a local area and how we deal with the local organisations that deliver those outcomes. We are clear that everything is done in a fair and structured way and that the organisations know what to expect, what is expected of them and how to be part of the process. The system is now better than it has been.

Linda Fabiani: Is there a role for the self-assessment process and for scrutiny by external scrutineers to examine those issues? Is that in

place already, or is it something that we should consider?

Jon Harris: One of the shifts in BV2 is that it looks beyond the council to the community planning partnership. Councillor McColl is right that we want to see a stronger input from the third sector; we must change our culture and our practices to make that work. We have published a joint statement with the SCVO and the Scottish Government on how we see that relationship. We can make it available to you, if you would like.

Linda Fabiani: That is fine. We have managed to get it, thanks.

The Convener: If panel members do not want to make any last-minute comments, I thank them for their attendance, for their obvious expertise and knowledge of local government and for giving me the opportunity to reminisce about my own past life in COSLA and local government.

I suspend the meeting to allow the next panel of witnesses to take their seats.

15:08

Meeting suspended.

15:09

On resuming—

The Convener: I welcome our final panel of witnesses: Jim Martin, Scottish Public Services Ombudsman; Lucy McTernan, deputy chief executive and director of corporate affairs, the Scottish Council for Voluntary Organisations; and Jennifer Wallace, principal policy advocate, Consumer Focus Scotland. They are all welcome.

I will start with a general question. The submissions that we received from all three organisations appear to be broadly supportive of the general direction of travel of the bill and of the wider public services reform programme. However, in common with other respondents, the SCVO seems to question whether the bill will indeed reform public services. By way of introduction, will panel members expand on their views of the overall scale and ambition of the bill?

Who would like to start?

Lucy McTernan (Scottish Council for Voluntary Organisations): I am happy to do so, as you mentioned the SCVO specifically.

You have accurately described our approach. We welcome the bill's attempt to revise or reform the scrutiny dimension of public services but, like other witnesses from whom the committee has heard, we do not think that the bill does what it says on the tin. The bill does not reform public services. The bill makes some attempts to clarify

the scrutiny dimension, but it does not attempt to change the culture, design and delivery of public services, which is where our interest—that of voluntary organisations that provide a great many public services—lies.

We welcome the provisions in the bill on user focus in scrutiny, although we have some questions about whether those provisions will do all that they should.

We are also keen to take the opportunity to reduce the red tape that applies to voluntary organisations. As committee members will be aware, voluntary organisations face bureaucracy not only due to scrutiny processes but in connection with our funding arrangements as second-tier deliverers on behalf of local authorities or other funding bodies. The voluntary sector is the victim of a lot of red tape, so we hope that the bill provides an opportunity to deal with some of that.

Our submission mentions one other rider about the bill's amendment to charity law which, if it is appropriate to do so, I will also draw to the committee's attention this afternoon.

Jim Martin (Scottish Public Services Ombudsman): The outcomes of the Crerar review and of Douglas Sinclair's action group will have an impact not only on the SPSO as an organisation but more generally on the complaint-handling culture through the public services reform proposals. We are content with that part of the proposals.

It is not for me to say how far the bill should go—that is for others to decide—but we have particular views on part 2 of the bill. We will be more engaged with the bill when we see the Government's amendments at stage 2, which might directly affect the SPSO.

Jennifer Wallace (Consumer Focus Scotland): We see the bill as contributing towards a greater outcomes focus across public services, as has perhaps happened with single outcome agreements. We see the bill as operating within that range of activity rather than as a stand-alone measure.

In our analysis, consumers have little or no power in some public services and, as such, they can receive a poor service. Our research on public services shows that consumers can feel disconnected. Ensuring more user focus in scrutiny arrangements is one way of ensuring that the consumers' voice is heard and that service improvements are made in their name and will effect change for them.

The Convener: I want to explore another point in the SCVO submission. It states:

"SCVO is concerned that the intention to reduce the

numbers of 'quangos' is producing a simple policy of coalescence, by reducing the gross numbers."

Does the bill provide for quangocide or for quango amalgamation? What would be both radical and achievable without enormous upheaval?

Lucy McTernan: It is not for me to say what could be done without enormous upheaval, but the SCVO is very much of the view that the focus should be on the function of scrutiny rather than on its form. The focus should be on ensuring that the right things are being looked at proportionately and in the right way. We also feel strongly that the voluntary sector dimension is often forgotten in scrutiny considerations, which tend to focus overly on local authorities and other public sector deliverers of services. The impact of scrutiny on what are sometimes quite small organisations that nevertheless deliver critical public services is not fully considered. Such organisations should not be overburdened with scrutiny that is really not as necessary as it might be in other parts of public service delivery.

The Convener: I now throw the discussion open to committee members.

Linda Fabiani: I have a few varied questions that, I am afraid, are all aimed at Lucy McTernan. On indemnity insurance for trustees, why did the SCVO feel it necessary to comment that trustees should not be paid? My reading of section 99 is that it will enable charities to enter into indemnity insurance for trustees should they end up having legal costs. I see nothing in it that suggests that trustees would be paid. What is the reasoning behind the SCVO's concern on that?

15:15

Lucy McTernan: To be clear, the SCVO is not clear why that element is in the bill at all. To our knowledge, there is no pressing case for reform of the Charities and Trustee Investment (Scotland) Act 2005 and we think it unusual that the provision on trustee indemnity insurance should be introduced now. We would much prefer a proper parliamentary review of the implementation of the 2005 act, in which that issue could be brought to the fore along with a range of others.

Linda Fabiani: You feel that it would be better introduced in another bill, if at all.

Lucy McTernan: It would be more appropriate to deal with it through a parliamentary review of the implementation of the 2005 act that could sweep up that and any other charity law issues that are around.

Linda Fabiani: You were not saying that the bill suggested that trustees could be paid.

Lucy McTernan: The technical reason for including that comment is that paying for the

premiums for insurance that indemnifies individual trustees has been deemed a benefit to those trustees and there are appropriate restrictions in the 2005 act that prevent the payment of trustees.

Linda Fabiani: You were not suggesting that individuals would get a salary or a retainer for being trustees, just that indemnity insurance could be considered a benefit.

Lucy McTernan: That was the context. It has been the subject of debate elsewhere that there might be a case for paying trustees. The SCVO is clear that that is not its position.

Linda Fabiani: You were simply taking the opportunity to get your point across.

I am interested in procurement and contractual best practice, about which the SCVO and others have been concerned for some time. You suggest that the bill

“could provide an important opportunity to ... review best practice in contracting”

in relation to public services. As I said to the earlier witnesses, there has long been a perception that voluntary organisations entering into service agreements do not get a good deal because of red tape. Will you expand on how the bill could be better used in that regard?

Lucy McTernan: I was interested that, at the latter end of the evidence from the previous panel of witnesses, we got on to what constitutes best value. You and many other members of the committee know that the SCVO has worked hard over the years to promote the added value that voluntary sector delivery of public services can provide. The different approaches that are prevalent in the voluntary sector—such as the more person-centred or client-centred approaches that we often take and the ability to work across policy or departmental silos—provide better or, at least, added value and should be the centre of the debate on public services reform.

I accept that scrutiny has a role to play in that debate and can help to move forward public services reform, but it cannot do that on its own. The issue is culture and the processes by which public services are procured and commissioned. At the moment, there is far too much unnecessary competitive retendering of public services, which drives a wedge between voluntary organisations and decreases the collaboration that could otherwise secure better value and greater effectiveness.

Our interest is in the broader public services reform agenda, not specifically scrutiny.

Linda Fabiani: We have been talking about transforming public services for quite some time and, as in your response to the 2006 consultation,

your submission says that you are discussing with your membership

“possible additions to the list of repeals”

of organisations. Will you put on record what organisations you think do not necessarily have to exist?

Lucy McTernan: As we are out to consultation with our members at this stage, I will decline that opportunity.

Linda Fabiani: When are you likely to be able to give an answer?

Lucy McTernan: If we have an opportunity to propose amendments at stage 2, that will be—

Linda Fabiani: So your thinking is that you would come back then. Would you approach the Government, the committee or individual members?

Lucy McTernan: Whichever seems appropriate.

Linda Fabiani: Whoever will listen.

Jackie Baillie: I suspect that Derek Brownlee might be interested in lodging an amendment to schedule 3, on local government, so there you go. [*Laughter.*] I am just making sure that he is awake.

Do you feel that the bill will reduce the regulatory burden?

Jennifer Wallace: We have a slightly different interpretation from other people. Many commentators who have talked about the bill have used the phrase, “regulatory burden” and seem to assume that reducing it is an end in itself. However, that is not how we see it: reducing the burden would be of benefit only if it were of benefit to the consumers. At the moment, if there is overregulation and duplication of effort, consumers are missing out because staff are directed away from front-line services, so we would like the issue to be viewed in that light. Instead of using a phrase that suggests that a burden is falling on business and service providers, we must ask what is best for the people who use the services.

Jim Martin: In so far as the bill touches on the work of the SPSO and the creation of a new responsibility for being a design authority and helping to bring about, for example, standardisation of complaints handling in local government, there is an opportunity for reducing the burden, but there is also a danger that the burden might increase. The outcome depends on how we think through the issues and how well the SPSO and local authorities collaborate. As Mr Whitton said earlier, COSLA has a big role to play, as well.

We need to ensure that we get the benefits that were in the minds of the architects of the bill. For example, if we move to a standardised complaints-

handling procedure in local authorities, it has to be better than what we currently have. We will have to ensure that it will be cost effective, that it will not take local authority staff away from front-line delivery, and that the users see it as being accessible and fair. If we can do all that, and empower people to deal with complaints at the first level, I foresee our getting to a position in which the regulatory burden will decrease and the concerns that have been expressed about self-certification of processes will be allayed. If the new system is tied in with the best-value work that Audit Scotland is doing, we can get value-for-money scrutiny. I have had an informal chat with Bob Black along those lines.

There exists the potential to reduce the regulatory burden. However, if we get it wrong, we might find in three or four years that we have a greater regulatory burden than we ever envisaged.

Lucy McTernan: I would echo what Jim Martin said. The proposals have the potential to decrease the scrutiny burden on voluntary organisations. They will not achieve that in and of themselves, but must work in the context of other things that are happening. The best-value regime is absolutely critical. The committee must remember that, in the voluntary sector, it is not only direct scrutiny by the scrutiny bodies that are associated with the bill that is important. Important, too, is the scrutiny that is passed on via local authorities and other funding bodies. Those bodies are sometimes quite risk averse and—in order to cover their backs in relation to the scrutiny to which they will be subject—insist on a higher level of information being provided to them than is absolutely necessary, from the point of view of the front line.

Jackie Baillie: My final question is about independence and accountability. I invite the witnesses to comment on the order-making powers in part 2. Are they appropriate in scope? Will they change inappropriately the balance of parliamentary scrutiny of the Government? I also invite our witnesses to comment on the list of bodies in schedule 3. Concern has been expressed about the fact that the Accounts Commission, the Auditor General and Parliament's commissioners are listed in schedule 3.

Jim Martin: The independence of the office of the Scottish Public Services Ombudsman is critical. It is a fundamental part of the democratic process in Scotland that we have an independent public services ombudsman and it is important that its independence be guarded in primary legislation. Section 91 of the Scotland Act 1998 provides that there should be scrutiny of complaints about Government and other bodies, and I believe that the other bodies that we have under our umbrella deserve equal status.

I would be concerned by any process that sought to interfere with that independence, and we certainly want to guard against any capricious interference with it. That said, Lorne Crerar was asked to take up his duties in 2006-07, so it is taking quite a long time to make changes to the systems. Although we can look to Parliament to safeguard the independence of the offices, we need to have a good look at how we bring about change if we do not have powers such as order-making powers on the agenda.

Lucy McTernan: The SCVO did not comment specifically on the matter in our written submission, but we have—since it became the subject of debate—gathered a lot of concerns and comments from a range of member organisations, many of which were involved in long-term lobbying to bring about the creation of organisations such as the Commissioner for Children and Young People in Scotland and the Scottish Information Commissioner. I hear from my members that there would be a real worry if those organisations were to be seen as being easy to dismantle, given that it took such an effort and the role of Parliament to bring them into being. I pass on that concern, which is coming through from the wider voluntary sector.

Jennifer Wallace: I echo the concerns that have been expressed in other evidence. We are concerned that there would not be enough consultation of users if the order-making powers were agreed, particularly because it can take some time for vulnerable people to become engaged in the consultation process. We would not, therefore, like it to be reduced.

The other issue for us concerns the principle of independence, which was set out in the Crerar review. There is an issue about the perception of the independence of scrutiny bodies, which exist partly to create public trust. We would be concerned if there were accusations that they were unable to do that because of interference.

Jackie Baillie: I have a supplementary question for Jim Martin. It is fair to say that, if we had a packed legislative programme, the progress of primary legislation might indeed slow things down, but—I think you will agree—our legislative burden is currently light.

Linda Fabiani: Is that not grand?

Jim Martin: I think someone said, "You may think that, but I couldn't possibly comment."

The Convener: You have all broached an issue of fundamental importance.

Jeremy Purvis: I have a further question for the ombudsman and the other members of the panel. Were you consulted by the Government before it introduced the bill?

Jim Martin: No.

Jennifer Wallace: No.

Lucy McTernan: No.

Jeremy Purvis: If the ombudsman had been consulted, would he have said that his preference was not to be included in schedule 3?

Jim Martin: Yes—that would have been my view.

Jeremy Purvis: Thank you.

The Convener: The final questions will be asked by David Whitton.

David Whitton: My questions follow on from the question that Jeremy Purvis just asked. We heard from the earlier panels about a one-stop shop for complaints. I take it that Mr Martin's view is that the SPSO should be that one-stop shop.

Jim Martin: Yes. I have been in office for four and a half months. I spent the first two months reviewing the SPSO's performance, which I found to be wanting in some areas, so I have spent the past two months considering how we do things with a view to putting that right. I believe that the ombudsman principle is extremely important, not only in our democracy but in others throughout Europe. If the SPSO is to be an effective part of the scrutiny process, it has to be an effective organisation. Once we get it to be an effective organisation, it should be the basis for a one-stop shop. That should happen eventually, but not yet.

15:30

David Whitton: In answer to Mr Purvis, you said that you were not consulted before the bill was introduced. Were you consulted before the letter was sent from the cabinet secretary, in which he added to your burden of scrutiny bodies such as Waterwatch Scotland and the Scottish Prison Complaints Commission?

Jim Martin: Waterwatch Scotland and the Scottish Prisons Complaints Commission, along with others, were discussed by the Review of SPCB Supported Bodies Committee. I believe that there were discussions at that stage—which was before my time—between my officials, Government officials and the committee officials about what would be in the proposed committee bill. There was then some discussion between that committee and the Government about which organisations would go in which bill, but I am afraid that it pre-dates me.

David Whitton: It pre-dates me, as well, but never mind.

What impact will taking on all those extra powers and being a one-stop shop have on your current resources?

Jim Martin: Until we see the extent of the amendments at stage 2, that is a difficult question to answer. At the moment, I am reviewing how our resources can best be deployed to do what we currently do. If other areas were added—Douglas Sinclair mentioned four or five different areas—I guess that roughly a third more complaints would come to the ombudsman's office. Added to that would be that fact that we would be the design authority.

There is scope for us to be smarter in how we work and to make space to bring the additions into our current set-up. For Waterwatch to come in, we would have to take into the SPSO staff who are currently with Waterwatch. However, there may be efficiency savings to be made that I do not yet know about, because I do not know the full extent of what is proposed.

Our being the design authority would involve the acquisition of new skills for some of my people—some of the skills may be in-house, some may not be. I imagine that that would, to some extent, be made up for by a reduction in the local authority burden.

We will have to wait until we see the full extent of the stage 2 amendments before we know whether there will be swings and roundabouts.

David Whitton: We were told by the bill team leader that the purpose of the bill is not to save money but to create smarter government. I keep referring to that because I did not believe it at the time. Would you care to venture an opinion on whether the bill, as drafted, will achieve that aim?

Jim Martin: Do you mean whether it will save money or on whether it will create smarter government?

David Whitton: Both.

Jim Martin: I said earlier that there are great opportunities if we get it right but great dangers if we get it wrong. That applies equally to cost efficiency. If we get it wrong, we could end up with a cobbled-together complaints handling procedure that costs us more to run than the current one does. If we get it right, we could save money. I do not yet know how much money we could save but, if we can establish a system in which complaints are dealt with at the first point of contact by empowered complaints handlers, it follows that we should be able to save money. I do not know whether that will amount to what has been suggested by others, because I still do not know what the cost of running the SPSO will be once the bill and the Review of SPCB Supported Bodies Committee's proposed bill have been enacted.

The Convener: Ideally, complaints would be dealt with at the point of first contact by experienced complaints handlers. That would be a

perfect model of efficiency, but is that feasible given the sort of complaints that you receive?

Jim Martin: This is perhaps not the committee in which to air this, but one thing that concerns me greatly is the process for resolving health service cases. People often bring very serious health cases to my office, and we come to a conclusion that upholds the complaint. The health board then immediately says that it agrees with the conclusion and that it will act on our recommendations. I am concerned, on behalf of families who have been through grief and stress, because such decisions could be made and followed through an awful lot earlier. The pressures on some of the bodies for which the SPSO is responsible for complaints and the fear of litigation are holding up some of the complaints proceedings in which we are involved. That causes me concern.

I am also concerned that we do not necessarily deal with users as users, but as complainers, although those are quite different things. Douglas Sinclair talked earlier about changing the culture within organisations. That is the fundamental element that will or will not make the provisions in the bill fly. We must change how we think about handling complaints. In other places where I have been, people clamour to work in complaints handling because that is where the best business is done. However, I am afraid that, in some of the areas that we deal with, complaints handling may be something to which people are allocated rather than something that they aspire to do.

The Convener: We will wind this session up. I thank all our witnesses for their attendance, their evidence and their insights into their work. We now move into private session.

15:35

Meeting continued in private until 16:53.

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