Official Report
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DRAFT

Public Service Reform Committee

Comataidh Ath-leasachadh nan Seirbheisean Poblach

Thursday 12 November 2026

Session 7

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PUBLIC SERVICE REFORM COMMITTEE
11th Meeting 2026, Session 7

CONVENER

*Bob Doris (Glasgow Kelvin and Maryhill) (SNP)

DEPUTY CONVENER

*Michelle Campbell (Renfrewshire North and Cardonald) (SNP)

COMMITTEE MEMBERS

*Murdo Fraser (Mid Scotland and Fife) (Con)
*Alex Kerr (Hamilton, Larkhall and Stonehouse) (SNP)
*Carol Mochan (South Scotland) (Lab)
*Lorna Slater (Edinburgh Central) (Green)
*David Smith (West Scotland) (Reform)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stuart Hoddinott (Institute for Government)
Katie Kelly (New Local)
Richard Kerley (Centre for Public Policy)

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Public Service Reform Committee

Thursday 12 November 2026

[The Convener opened the meeting at 09:35]

Interests

The Convener (Bob Doris): Good morning, everyone, and welcome to the 11th meeting of the Public Service Reform Committee in 2026.

I welcome David Smith to the committee. It is his first meeting and I invite him to declare any relevant interests in accordance with section 3 of the code of conduct.

David Smith (West Scotland) (Reform): I have no relevant interests to declare.

The Convener: Thank you for putting that on the record, David. You are more than welcome to the committee.

Decision on Taking Business in Private

09:35

The Convener: Agenda item 1 is a decision on whether to take item 3 in private. Do we agree to take that item in private?

Members *indicated agreement*.

Standards for Public Service Reform

09:35

The Convener: Agenda item 2 is an evidence session in the committee's inquiry into standards for public service reform.

I welcome Katie Kelly, the chair of New Local, and Richard Kerley, the co-chair of the Centre for Public Policy, who are both in the room. I also welcome Stuart Hoddinott, associate director of the Institute for Government, who joins us online. Stuart, can you hear us okay?

Stuart Hoddinott (Institute for Government): Yes.

The Convener: Excellent. Thank you. I am making sure that there are no gremlins in the system.

We move straight to questioning. The committee's inquiry is intended to tease out what good public service reform looks like in practice. It does not matter to the committee whether that is in Scotland, the rest of the United Kingdom or elsewhere. If we can identify underlying principles that facilitate good public service reform anywhere, we want to analyse them and recommend to the Government what it should look like. Are the witnesses able to point to any examples of public service reform, wherever they may be, in the past 10 or 20 years that went well and tell us why they went well?

Katie Kelly (New Local): Good morning, everyone. Thank you very much for inviting me. It is exciting to travel over from Ayrshire and be here. It is good to see Carol Mochan as well.

I worked in public service in Scotland for more than 30 years. I worked in East Ayrshire Council for most of my career. I did a wee bit of work with NHS Ayrshire and Arran. I would like to talk about some of the work that I did in East Ayrshire on vibrant communities and some other key initiatives that influenced that or which have emerged since I have been chair of New Local.

New Local is a UK think tank. I am seeing some amazing practice across the UK and a lot of emergent practice because everyone is in the rewiring business just now.

When I worked in East Ayrshire, we led the vibrant communities approach. It started around 2013 in response to our first transformation strategy in East Ayrshire. At that point, we had to save about £30 million, which was a lot of money at the time. A lot of change was happening, so we looked to see how we might save money through different workstreams. That was one of the factors, but a big factor for me and for colleagues was about changing our relationships with communities.

In a nutshell, the vibrant communities approach, some of which is still running—although I cannot take any credit for the past three years, because I left in 2023—was a system-change piece of work. It was not a project or a pilot. It worked with natural communities in East Ayrshire. We identified the villages and towns where people lived and with which they associated. There were 32 natural communities. As part of transformation, the approach was to change the relationship with communities and empower them to be much more involved.

Having been through the process of going from district councils to regional authorities, I know that there were a lot of advantages to the unitary authorities, but we became quite distant from the people we served. The vibrant communities approach was a way of trying to offset that, change the balance of power and capitalise on the skills and talents that existed and exist in our communities. Over 10 years from 2013 onwards, we worked with communities to develop their own community-led, five-year action plans.

Initially, we worked with one or two communities. We did not programme it. Communities came forward that wanted to go first, so we worked with the willing initially and built on it. When I left East Ayrshire Council, 29 action plans had been published. They were game changing in terms of how the council related to communities. The plans were about communities' hopes and dreams. The process could take anything from six months to two years—we moved at a speed that allowed us to maintain trust.

The Convener: Could you expand on that a little before I bring in other witnesses? It is interesting to hear that one of the underlying principles was empowerment of communities, even when there were tight financial challenges. That 2013 to 2023 initiative that you played a key role in was undertaken against a backdrop of having to save £30 million. How did the vibrant communities initiative square that circle? Most people who are watching this meeting would think, "There's £30 million less to spend, so things may deteriorate," but you are saying that, even though there were very tight budgets, things improved. Could you explain how that happened?

Katie Kelly: Yes. The first iteration of the vibrant communities initiative, which probably covered the first four or five years of the process, was part of our first transformation strategy, which focused on empowering communities, developing the action plans and looking at community asset transfer. It also involved listening to communities to find out

what their hopes and dreams were and thinking about how they could be resourced differently to change the relationship between them and the council and grow trust. In order to do that, we structured ourselves differently. Vibrant communities was one of six themes in the transformation strategy, so it did not save the whole £30 million, but it saved money and, I would argue, improved outcomes.

The second iteration of the transformation strategy sought to expand the vibrant communities approach to make it an enabling approach across the whole organisation, so that we improved our outward-facing activity. For example, housing officers were trained to work in a different way so that we could reduce demand and consider prevention. Work was done alongside children's services and others to take an enabling approach. It was very much an asset-based approach that involved looking at our strengths. We always focus on what is taken away from the budget when we should focus on what we can deliver with the big budget that is left. It was a case of thinking, "If we took £50 million out of the budget and there was £250 million left, what sort of public service could we deliver for that? What would that look like?"

The vibrant communities approach was exciting, but it was kind of an outlier, which can sometimes be fragile. We had to work out how to bring that approach into the system. It did not always work—sometimes, we hit up against other areas. That was probably why, in our second transformation strategy, we looked at the whole workforce with a view to getting it to turn to face out the way, from people who cut the grass to housing officers, so that we could become an enabling authority. There were bumps along the way. For example, when it came to the corporate side, people said to me, "We've done really well, but now we've hit the corporate side." We had to overcome those issues.

The Convener: My colleagues will want to ask about the bumps along the way as we go through our evidence session. I think that we could have an entire session just on the vibrant communities approach in Ayrshire, but we will not do that, because we have other witnesses, and we want to hear what they have to say. That is not to disparage what you have said, which was fascinating, and we should explore it further.

Richard Kerley, could you point to any examples of where public service reform has gone well?

Richard Kerley (Centre for Public Policy): Yes. I can give you graphic examples of where public service reform has gone well and where it has not gone well. Both examples happen to lie in the United Kingdom Government's province of responsibility. My birthday is in March and, in February, I applied for something that pretty well everybody in the room will recognise—a driving licence. I also applied to renew something that many of you will recognise—a UK passport. Yours might be a different colour, depending on its age.

The new passport came back in about 10 days; I do not recall exactly how long it took. I got the driving licence—conveniently for the committee; thank you very much for inviting me to attend—yesterday. It must have been thanks to a miracle of artificial intelligence that it was noticed that I was to be a witness here and somebody thought, "We'll get his driving licence to him." It was about seven or eight months late in arriving.

What is the difference between those two examples? In the 1980s and the early 1990s, the passport office was generally considered to be the epitome of dismal quality service and failure. It took months to renew a passport, and the process was often poorly executed. The manner in which that situation was addressed involved the Government taking serious action on the nature of the passport office, asking what it was doing and how it was doing it, and looking at systems that still bridged between the manual and the electronic. It asked itself why it was still doing it in that way when it had a mechanism—such as the kind of screens or kit that is evident in the committee room today—for doing it much more easily. The dramatic turnaround that was achieved involved replacing and renewing staff, as well as increasing staffing where it was needed. A remarkably positive change was achieved, as anybody who needs a passport quickly can now get one quickly. I did not need one quickly, but I was impressed by the speed at which the system worked.

09:45

That leads me on to what has been a key theme for me throughout my academic life. Some of you might have seen the musical "Hamilton". Although it was anonymous, Alexander Hamilton probably wrote, about 250 years ago, a lovely phrase:

> "a government ill executed, whatever it may be in theory, must be in practice a bad government."

I take that to mean something that we see in all areas of government and governance throughout the different countries of the United Kingdom, including here, and it leads me to what I see as being important in public service reform. Political ambitions need to be expressed in a way that allows officials to develop systems that can put them into practice, and the systems need to be reviewed to see whether the outcomes align with the ambitions.

I would argue that, if systems are not working properly, they should be constantly under review. I am uncomfortable with the capitalisation of "Public Service Reform"; I would rather think about

continuous public service review. We need to do that kind of review not every 20 years but this year, next year and the year after that. How are things working? Are they working as we intended or hoped that they would? If not, have we got the ambition wrong or have we got the application and administration of that ambition wrong?

That might require any manner of things. It might require a change in systems and in organisation. It might involve talking to people—whether we call them citizens, in relation to the public realm more generally, or consumers of leisure services, housing services or whatever it might be—to try to reconcile what we would like to do with what they wish to achieve. We see instances of that. Katie Kelly cited a clear example from East Ayrshire, which recently had a glowing best value report.

Katie Kelly: I cannot take credit for that.

Richard Kerley: I noticed that you were gone, but the report did not mention that.

The Convener: Speak through the chair, please, Mr Kerley.

Richard Kerley: I am sorry, convener.

I would argue that we need a process of continuous change. Governments—whether they are here, in the Senedd, in Northern Ireland, in Westminster, in Edinburgh, in Glasgow or wherever—are not good at making changes as they need to be made. I will pause there.

The Convener: Thank you, Mr Kerley. I cannot take any credit for your pass arriving, not timeously but in time—those are two different things. That helpful answer has moved us on to outcomes and the need to have sight of them. Stuart Hoddinott, I know that you are particularly interested in that. Can you give any examples of positive public service reform? If so, what underpinned it?

Stuart Hoddinott: I will give three examples. The first is less focused on outcomes, but we believe that, if the policy process had been followed through, it would have led to positive outcomes. The total place programme, which was launched at the end of the new Labour Government's time in office, back in 2008 or 2009, came from insight of a problem that still exists today: spending on different services in one area is too fragmented and too siloed, which discourages joined-up and more effective delivery of services. The new Labour Government's response to that was the total place programme, which involved trying to find a way of pooling funding in a local area, having a better understanding of how resources were spent and allocating that funding more effectively across delivery services to make spending more cost effective and to prevent bad outcomes from arising in the first place.

I raise that because it recognised the problems that existed, and the programme was genuinely innovative, not that reform must always be innovative. It provides a blueprint for addressing a lot of problems that still exist in public services across the UK. Had it not been stopped in the 2010s, we think that it would have gone on to be quite an interesting blueprint for delivery. We are therefore very happy that the Westminster Government has introduced place-based budgeting pilots, which are like a renewal of the total place agenda.

My second point is more outcomes focused. It is vital that I caveat this by saying that I am not an education expert, so I cannot speak to the exact details of what the reform programme involved, However, if we look at the coalition and Conservative Governments' education reforms of the 2010s, the programme for international student assessment scores and the relative stability of English education outcomes compared with those in other countries, we can say that those reforms had some success.

I would highlight a few aspects of that success that we talk about quite a lot. The first is ministerial longevity, which, in turn, led to policy stability that really allowed the Government to design reforms, implement them and then follow them through over a long period.

That is the opposite of what happens in many other services. I am much more familiar with the national health service, where there is a constant churn of health ministers with different ideas who come in, tear up the previous reforms and implement their own ideas, creating a sort of instability and uncertainty. There is real benefit in having that stability.

Thirdly, I will highlight a local example: Wigan Council's adult social services in England. In 2026, it is, I think, one of three local authorities in England, and the only one outside of London, to have an outstanding Care Quality Commission rating for its adult social care services.

The council has done incredibly well in the face of very difficult pressures, and that goes back to the decisions that it has made since the start of the 2010s. The council foresaw that austerity and cuts for local government funding were not going away, and it redesigned services to make them more preventative, strengths based and asset based. It also considered more holistically how services are delivered in order to make the most of what would likely be slimmer budgets in the future.

I raise that example for a couple of reasons. It took foresight at that point to see that that change was needed. It then took political bravery to make the necessary changes, which included the closure of day centres that were very popular

locally but which were not delivering the outcomes that the council wanted.

To repeat my earlier point, the same director of adult social services and the same cabinet member for adult social care have been in post since before 2010, and that stability has been incredibly important in the council's ability to make long-term decisions, think over the longer term and then defend and protect reforms when they have been implemented.

The Convener: That is helpful. In fact, all the witnesses' contributions have been very helpful for setting the scene for what we as a committee must grapple with.

We will move to other committee members. I call Lorna Slater.

Lorna Slater (Edinburgh Central) (Green): I want to ask a question about the Scottish Government's proposals and their underlying principles. The committee has been told by other witnesses that the Scottish Government will struggle to succeed in its public service reforms if it does not clearly set out those principles.

Hanging over us is a £5 billion financial black hole or whatever the figure is. Everybody is really worried that money is driving public service reform, but the Scottish Government is saying, "No, no, we want services to be better." What does "better" mean? Has the Scottish Government adequately articulated the principles that it intends to follow? Anyone? Stuart Hoddinott, perhaps?

Stuart Hoddinott: I hold my hand up to admit that I am not an expert on Scottish public services or the current debate in Scotland, but I can speak to our view on how to make public services reform work and the experience in England.

Before you launch any major public service reform agenda, it is important to have a clear idea of the outcomes that you are trying to achieve. From there, you should identify what problems you are trying to address and your theory of change to try to get where you want to go. In England, we were positive about the last Government's three principles of public service reform, which were more devolution, more prevention, and better-integrated services. It was less clear what the process was trying to achieve and, therefore, it was harder for multiple services to coalesce around a coherent set of reforms.

In our experience, if the primary goal is to save money, it can often lead to poor decision making for the reform agenda. Quite frequently in England, the pursuit of short-term savings has meant falling back on cutting what are thought of as less visible or less immediately obvious costs, and there has been a lot of structural reform and cuts to back office management and administration staff. We think that that is a massive false economy. Undoubtedly, there are some inefficiencies in the way that those staff are hired but, more often than not, most of the services that we look at are undermanaged and the staff require increased capacity and capability for the ideas behind the savings to be realised in the long term.

Often, more sustainable savings require up-front investment. By that I mean things such as capital spending and more preventative services. Those things are difficult when you are chasing an immediate budgetary deficit that you are trying to close through reform. You could end up with the tension of having to make cuts in the short term in order to meet savings goals. The austerity period from 2010 is a primary example of short-term savings leading to big inefficiencies that we are now dealing with in England in the longer term.

Richard Kerley: Your question has massive implications across the system of intragovernance. I entirely agree with Stuart Hoddinott that, if your ambition is to save money and you start from that proposition, often, you make poor choices. If, however, you make good choices, as technology changes—which it does for everyone constantly in a way that some struggle to keep up with—you can find ways of spending less money on something that you have been doing.

The Scottish Futures Trust has enthusiastically and constantly pushed for the introduction of LED street lighting. The local authorities that have introduced LED lighting have made significant savings on maintenance costs, because LED bulbs go out less frequently than the old historical bulbs. They also have lower purchase costs and, therefore, you can save significant amounts of cash. From local authority reports, we can see that some local authorities have shifted money into and invested in LEDs, which is an investment in prevention. West Dunbartonshire Council has been one of the most successful, although it is not the only one. LED lights produce a better quality of light and illuminate the streets more clearly, which has benefits for public safety and for pedestrians, drivers and cyclists—at least, those who have lights on their bicycles. It has also improved the safety of women who are walking on the streets on their own at night. Better illumination means that there is less likelihood of someone being attacked in a dark corner—it will not stop it, as that is down to the attackers being caught or prevented from attacking. LED installation can be seen as a means of achieving an outcome that was initially driven not by the idea of saving costs but by the idea that it would improve our towns and cities and also save money. It is a good idea.

If you simply start out with the objective of saving money, you will go for the easiest costs to reduce. Frankly, it is easier to have attritional turnover

among relatively lowly paid members of staff than among directors of finance, chief constables and assistant chief constables. That explains the difficulties that Police Scotland encountered when back-office staff drifted away, resulting in reporting systems that were not effective and produced some tragic outcomes.

Lorna Slater: Katie Kelly, do you want to come in on that?

10:00

Katie Kelly: I would like to zoom out a wee bit. We are at a point in our history where we are ready for something to change. We face pressing issues and big costs but we have less money to spend each year. Having worked in the public service system and seen systems across the UK and beyond, I would argue that, at this point, the systems that we have often do not serve the population. Our population has changed and our needs have also changed.

A lot of our systems were set up in the post-Beveridge period. The welfare state was fantastic, but it was accompanied by a civic paradigm that was about people being passive recipients. Further, Beveridge designed an amazing system, but it did not cover care because, at that time, a woman would stay at home and look after the kids, and then look after her parents and her husband's parents. Another change is that people are living longer and have more complex health conditions. Because of all of that, there is something in the view that we are not serving communities as well as we could.

Also, as I have seen at first hand in East Ayrshire and is the case all over the UK, people would like to have more power but have become further removed from democracy. Sir Harry Burns, who was the chief medical officer for Scotland when I was involved in some work on the issue, published research that showed that people who have self-determination and are connected to systems live happier, healthier and longer lives.

There is something to the view that the system is no longer affordable. Arguably, it is no longer serving people as it should. We are not capitalising on the incredible skills and talents in our community, and we are not taking advantage of the opportunity to improve democracy locally.

The time is right for change, not just because of issues around money, but because our communities have evolved, and we need to evolve with them. That is not to say that that is not happening in places, but, if it is, it is doing so in spite of the systems we have. The systems that we have are really quite rigid, and we have tended to pile new things on top of them to the point that they have now become quite heavy. That needs to change, and we have a great opportunity to move away from institutions and instead focus on people and place, which relates to what Stuart Hoddinott was saying about the total place programme from 2009 and today's place-based budgeting. The idea of natural communities provides us with a way to empower communities that we can see works and is not just something in a strategy.

I think that we have all the right strategies and policies in place in Scotland. We are really good at that, but we need to think about how we bring them to life and make them work for the people we serve. For a range of reasons, we now have a great opportunity to do that.

Lorna Slater: My next question is a practical one. We have all had the experience of friends or family who work in the public sector coming home or to the pub and saying, "Oh, you wouldn't believe the inefficiency where I work. There are these ridiculous forms and ridiculous systems, and I am not allowed to touch that bit of equipment, or I sit around all day waiting while the institution I work for contracts out my job, so they are duplicating effort." The people on the ground know absolutely where the inefficiencies in their workplaces are, but you can see the difficulty faced by managers who perhaps do not want to lose seniority or staff or do not want to say that their team is not coping—or, worse yet, that their team is not overworked. How do we get to the real issues, those obvious absurdities and inefficiencies that absolutely affect our public service workers every day, so that we can improve those things? I feel that the top-down view is not going to catch them.

Katie Kelly: I think that we are set up in a hierarchy because Beveridge set up public service in a hierarchy, and that was because that is how we won the war. However, we now work more in human ecosystems, and it is therefore important that we empower our workforce in the public sector, just as we need to empower our communities.

Public sector workers are incredible, but they are often constrained by silos, their job description and a permission culture. If we work differently with our workforce and empower them to serve first and to face outwards, it will be a game changer. We tried that in East Ayrshire with housing officers and some of the guys who work in parks. We enabled them to manage their own teams, and they became much more engaged. They lived in those areas, and, instead of there being an adult-child relationship, with the workers waiting for permission, there was a situation in which they thought, "How can I serve?" The first part of a public servant's job description is to serve, and the second is their specialism. You can be a brilliant architect or social worker, but if you are serving the

public, it is about loving people and caring for them, and focusing on the best way to do things.

There must be a dual approach. We have a real treasure in the public sector workforce, and we must empower them to face outwards so that they can serve in the best way, and we must also empower communities. Those two things are entirely doable, and taking that approach would change the whole shape of things.

Lorna Slater: Stuart Hoddinott, you have been nodding.

Stuart Hoddinott: Yes, I agree with what Katie Kelly has said. I would go a bit further and say that we see that there is a pattern of a lack of trust in services, from the Treasury to departments and down to front-line services themselves. The response to that distrust has been to grip everything incredibly tightly from the level above, so spending comes with conditions that are passed down to the front line, and the workers at that level have to report on how money is spent. The creation of that additional bureaucracy does not really illuminate much for the people further up the hierarchy; all it does is give them a false sense of security. At the same time, that approach effectively manages out a lot of the innovation that tends to typify the work of front-line staff and often leads to better outcomes.

We think that there is a case for public sector workers to have much more autonomy, guided by higher-level outcome targets, and for people in the local area who understand their services and their communities well to be allowed to get on with the job and be judged on whether they are achieving their outcomes, not whether they are meeting a list of tick-box requirements that come from higher up in the delivery chain.

Lorna Slater: Richard Kerley, do you want to come in on that?

Richard Kerley: The question touches on something that, to me, is central to the process of any kind of reform or review, which is about the culture within the organisation: do the people who have positions of hierarchy at whatever level encourage those who are subordinate to them—we do not like using words like that, but that is the reality—to question, to ask, to make observations and to say there is a different way of doing things?

I can recall a man, long deceased, who worked in education and who gave his staff an astounding brief, which was that they were to do things differently for the next three months, after which time they would review what had been done and see whether it had worked. That achieved the kind of continuous change that I was talking about earlier. On occasion, people would try to do something differently and it would not work, so they would discuss whether it had been a good idea and whether it might be worth trying again. In other instances, things were found to work very well.

At that point in such a process, you run into two key issues of culture. One is that people do not learn across boundaries, so, in the health service, for example, you will find doctors who say, “This is the way we do it here. That hospital does it differently because of local issues,” or something like that.

The other key issue involves issues of control and hierarchy and defence of the institution. As an external observer, if you look at examples such as the Queen Elizabeth hospital in Glasgow or the Countess of Chester hospital, you can see clearly that those within the institutional hierarchy and organisation were seeking to defend those institutions. Similarly, at the Bristol Royal infirmary, surgeons were—to put it crudely—practising on babies and young children, and the first person to seriously question that was, in effect, banned from the institution, which is exactly what happened at the Countess of Chester hospital. You can find similar examples of that attitude in central Government and local government in Scotland, too. However, if you take that approach, you are not going to effect change.

The Convener: Stuart Hoddinott would like to come back in on that.

Stuart Hoddinott: I will just quickly build on what Richard Kerley was saying. One thing that we are seeing quite a lot is a real sense of risk aversion up and down services and a fear of something going wrong. That fear of being blamed is preventing people from innovating or doing anything new.

Where interesting and innovative things have been done—and I go back to my example of Wigan Council—it has often required excellent leadership at the top of the organisation being able to hold risk in order to allow the people beneath them to get on and do things that might have been difficult and could have led to bad outcomes but which ultimately worked out quite well. That risk aversion is built into services up and down government.

Lorna Slater: Thank you.

The Convener: I will bring in Alex Kerr in a minute, but Carol Mochan has asked to come in.

Carol Mochan (South Scotland) (Lab): Thank you, convener. I want to ask a question on points that have been made but, before I do so, I should declare an interest in that I live in East Ayrshire and therefore lived through the vibrant communities approach. I agree with Katie Kelly that it led to local communities being very much

empowered. If that was the focus, I think that it was achieved.

With regard not just to East Ayrshire but more broadly, because other things have been mentioned, too, I am wondering about what happens when there is reform across whole organisations. The reality is that there is concern about the focus on reducing money—indeed, Katie Kelly said that that was what it was all about in East Ayrshire—so how do we ensure that we are not causing problems with regard to the inequality gap? That is important, because different communities have different skills as well as different support needs. Sometimes, when there is reform across big organisations, it is the staff on the ground who are seen as being able to be moved or to have their terms and conditions changed. Given the huge change that we are talking about, how do we protect the drive to ensure that the inequality gap does not become any greater?

Katie Kelly: I would love to come in on that. For me, the starting point needs to be natural communities and not the institutions. We tend to focus on changing the shape of things, but every community is different. The way that you work with them is by finding out about them, because their hopes and dreams will be different, and where they are will be different, too.

Therefore, fairness is important. In that respect, the total place approach and place-based budgeting are really interesting. Total place was very much an institutional approach, even though it applied to place, and I am interested in looking at the totality of resource in an area, as that will allow us to understand where the gaps are and what we are missing. After all, some communities might have things that others do not have.

I love horizontal connections. You might remember this: Netherthird, which was one of the poorest places in East Ayrshire—I am not saying that in a bad way; it was the richest in community terms—knew more about this sort of thing. Indeed, it was way ahead of Fenwick, which was one of the posh places. I know that it happened in camera, but we connected the communities with each other and they shared how they had grown.

Sometimes, inequality can lead to labelling, but the big thing that Harry Burns said was about creating the conditions in communities for natural supports to develop. Some of the mining communities across Britain and other places where there used to be industry actually developed very quickly. People thought that, because they were poorer places, they would not be able to do this work, but those that had made previous connections through mining or industry were able to connect more quickly, because they had supported one another through strikes and so on.

Therefore, I believe that the starting point is place and natural communities and looking at what skills and talents are available and what the resources are. What, and who, are institutions putting in? What does the collective look like? What plan does the community have, and where are the gaps? Finally, where is the abundance? We always focus on what we ain't got, but the fact is that we can design something different, and better, with what we have instead of focusing on the bit that we took away.

This is about fairness, but it has to come from the community first. It is not about somebody looking at a map and saying, "There's a problem in that community, so we'll carpet bag in to fix it." Inequalities get addressed when people have power over their own lives and make natural connections, and when we as public servants understand how people work together and work alongside them to overcome the issues.

I do not know whether that makes sense, but I am feeling it more and more.

The Convener: Do you want to ask any of the other witnesses a question, Carol?

Carol Mochan: I am concerned about the support in terms of staff that communities need. Indeed, Lorna Slater has highlighted the importance of on-the-ground staff, and, in some of the examples that I have looked at, it is definitely the staff who are being targeted for financial cuts—that is the bottom line here. How do we ensure that we continue to have the staff and workers who are needed on the ground to support people to make the changes that Katie Kelly has identified?

The Convener: Does anyone have any reflections on that? They will have to brief, because of time. Richard, do you want to come in?

10:15

Richard Kerley: That is a tough one to answer, because the dimensions of inequality between different communities, different profiles and different demographics are pretty wide. How do you address that? You do so, I would say, by thinking about the overall profile of the services that you are providing.

Going back to Katie Kelly's earlier observation about the creation of the national health service, I would point out that, in its early years—and, indeed, up until probably the 1970s or the early to mid-1980s—NHS provision was far more community based, and now we are talking about going back to a greater measure of community-based provision. The difficulty is that we have a

health resource allocation system that until very recently—I suspect that some of this is still going on—was based on throwing money at hospitals instead of recognising that, say, health visitors, community nurses and associated staff can do a lot more than can be done by putting resources into the high-tech end of hospitals.

I am not persuaded that community care in the broadest sense—that is, social and community care—will be better advanced by being more closely tied to the health service, given that decision making in the health service remains heavily influenced by neurology, cardiology and oncology. If you work in geriatric care, your voice at budget-setting and decision-making meetings will be a lot quieter, even if you are loud about it. It is the specialist areas with the high-glamour attraction that achieve the resources and get the staffing. You can look at the data on this—and, convener, I would like to say something later about the metrics that we have available to us when thinking about public service reform.

Carol Mochan: I think that Stuart Hoddinott wanted to make a quick comment.

Stuart Hoddinott: This might be a slightly boring and technocratic answer to what is an interesting question, but in order to address some of the inequalities in whatever dimension you might be talking about, you have to understand, at a local level, who those people are and then how to deliver services to them. Therefore—just to bang the drum again—I think it very important to have strong analytic management capacity to identify who you are trying to address.

That work will also need to be underpinned by good data sharing across different services, which we hear all the time is a stumbling block when it comes to targeting services better at those who need them most. We do not understand who is in the most acute need, because the NHS, the local authority or the Department for Work and Pensions holds the data, and they just do not communicate very well.

Carol Mochan: Thank you.

The Convener: I will bring in Alex Kerr next, but I know that David Smith has made a bid for a question and I will ensure that he has plenty of time to ask it. My apologies, but we need to move on just now.

Alex Kerr (Hamilton, Larkhall and Stonehouse) (SNP): The themes that have emerged are really interesting and tie in with a lot of what we have heard before.

My question, which is for Richard Kerley, ties in with what he was saying about how the outcomes of public service reform can be monitored. It is specifically on the national performance framework, which is being reviewed at the moment. What are your views on the framework's ability to scrutinise and assess the success of these and previous reforms?

Richard Kerley: It was a good innovation when it was introduced and I think that the review will help with where we are going. We are talking about a 20-year gap in building on the original framework.

My concern is that, in most cases, we have to get something a little bit more granular than just the national figure. My most substantive field of activity is local government—I work on the health service, too—and I know that the local government benchmarking framework, when it started, had quite a lot of granular detail about the performance of different local authority services in all the different local authorities.

More recent versions of the publications that come out of the framework have become more generalised. Basically, the message that comes across now in those documents is that local government is doing better and it would do better if it had more money. I can understand some of that, but there is an issue, and I will give a very specific example of that.

In the report on the local government benchmarking framework for 2010 to 2012, on just one element, the cost of collecting council tax—it is not a huge amount of money, but it is about the core function and it is one of the things that local authorities do—when you look at the graphic, you think, "How is one council spending so much less on collecting council tax than virtually every other council?". If members look that up, they will see which council it is.

I looked at that achievement, and I tried phoning, emailing and talking to people in various local authorities to ask, "What's happening here?". Nobody could explain. They did not have enough understanding of their systems to know why they were doing something and achieving that. That same council has achieved cost levels lower than the average for all councils over about 12 to 15 years. Over those same 12 to 15 years, several councils have cost averages that are greater than the average for all other councils.

I am not entirely tied to metrics and performance data as the only thing. I rather like the expression that metrics should be an indicator rather than a milometer. When you look at them, you should say, "What's happening here? How do I understand this?". In case you do not think that that approach can be serious and significant, I will give you a classic example. The public inquiry into the murders that were committed by Harold Shipman found that, in one general practitioner practice that he worked in, he signed off more at-

home death certificates than all the other GPs combined over a five-year period, and nobody seems to have said, “Hold on—what’s happening here?”.

Alex Kerr: That is an interesting concept around granularity. Your view is that we need more of that rather than less.

Richard Kerley: Yes.

Alex Kerr: Do you want to name that council? You do not have to.

Richard Kerley: No.

Alex Kerr: That is okay. I will look it up.

Richard Kerley: If you explore that, you will find it interesting.

The Convener: I think that I have just found it, Mr Kerley, but I will not put it on the record unless you want me to.

Richard Kerley: Okay—it is Fife Council. I recall asking people in Fife Council, “How come you are so efficient and effective?” and they said, “I don’t know—that’s just what we do.” It is not minor. It is a pretty significant amount of money.

Alex Kerr: That gives us a good idea. When we are looking at the national performance framework, there is a chance to get into that.

I turn to Stuart Hoddinott and the Institute for Government. Richard Kerley said that, when you are inside a culture, you occasionally need some outside perspective. How is the UK Government looking at public service reform, and how is that being scrutinised by UK Parliament committees?

Stuart Hoddinott: That is an interesting question. We have done a bit of work in which we have tried to assess the UK Government’s progress on reform and I think that, overall, it struggles because of a lack of clear understanding about what exactly it is trying to achieve. I am not familiar with the framework in Scotland, so forgive me for my ignorance on that. However, although there are some criteria by which the UK Government has chosen to assess its performance, they are often poorly chosen.

The Starmer Government had its five missions, with milestones for those, which were supposed to give a framework for assessing performance. The institute’s view is that those milestones were often very poorly chosen. To take the one that I know best, in the NHS, the Government chose to use elective waiting times as the milestone for reform. Frankly, that is an awful metric when what you are trying to do with the NHS is to shift more care into the community, make it more preventative and supposedly digitise the service. That metric has existed for a quarter of a century. It is very hospital focused and it drives activity and spending towards that sector at the same time as you are trying to shift activity away from it.

A real flaw in the UK Government’s approach to reform is that either it does not clearly identify what it is trying to achieve with long-term outcomes and potentially interim metrics to demonstrate progress towards the outcomes, or, where such outcomes have been chosen, they are poorly chosen. I think of the Government as picking up things that are lying around because they are convenient rather than because they give a good indicator of what the Government is trying to achieve. Our view is that it is very hard to assess the Government’s performance in many areas.

Committees are incredibly active. They tend to pick up reforms in individual services and scrutinise what is going on—for example, that is the case with NHS reorganisation. However, one massive gap that we have identified is that there is no thinking about cross-service reform. How do education reforms interact with local government reforms, and how do they interact with NHS reforms? A major failing of the previous UK Government was that it went ahead in a very uncoordinated way on the different reforms. Frankly, there has not been enough scrutiny of that in the UK Parliament. The structure of the committee system, because it has departmental man marking, is not particularly well set up for cross-service scrutiny and accountability.

Alex Kerr: That is helpful, and it ties in with a lot of what we have heard about siloing and trying to break down silos between budgets across the public sector.

The Institute for Government’s performance tracker seems helpful in tracking some of the more granular detail that Richard Kerley talked about. Would there be a benefit for parliamentarians, including members of this committee, from having a similar Scotland-focused tracker?

Stuart Hoddinott: Thank you for raising that. We have been doing that work every year for 10 years to assess the performance of public services. The reason why we started doing it is because we felt that there was a gap in the UK Government’s assessment of its performance. We still do it now, because we think that there is a lack of proper understanding across Government of the extent of public service performance, and, crucially, the interaction between services. Therefore, we would probably argue that there would be some benefit to having a similar bit of work in Scotland.

Alex Kerr: Fantastic—that is great.

I have a question for Katie Kelly, although others should feel free to chip in on this. Obviously, the reforms should not be driven by structural change.

Katie talked about having a path that is led by the community, but then reorganising the structure to deliver the community's needs where that is required. Is structural change a key part of the reform? I guess that that is partly why we are talking about public service reform and not public sector reform.

Katie Kelly: Structural change will have to happen, so the question is how it happens. We should not map out something that looks good and determine something without doing the work within that. My thinking is that the process has to happen in parallel.

The starting point is natural communities and the place-based approach that I described, but there is a really interesting look at regionalisation to achieve economy of scale, perhaps save money and get better outcomes for local people. What lies in the middle of the local part is how that enables communities to achieve their hopes and dreams or plans. The Convention of Scottish Local Authorities says that people must have a say in how the process develops. It has been interesting to me to watch that, and it is so important. I am proposing that we do not prescribe what happens in the developing work with natural communities—we do not prescribe what will happen locally. We know that those entities will exist, but those communities will start to develop what the entities look like.

The regions are important. We can learn so much from combined authorities, but there are also things that we should not learn. Some of the stuff is good and some is not. To go back to my example as the senior responsible officer for the Ayrshire growth deal, which was across all three Ayrshires, I note that the strategy was important for us. It took a long time to get there, because sometimes political or officer will or ego got in the road. However, it is then about how you connect the regional to the local—that will always be the problem. Does it just become another hierarchy? We have an opportunity, but it is about how we make the structures happen and not what the structures look like. A great example relates to the economy. We have the regional growth deals, and it makes sense for them to have a bigger span and bigger investment. If we layer in community wealth building, that brings the local aspect back into the picture. How the two are connected is interesting.

10:30

Alex Kerr: Are there powers that should lie at community level rather than regional level?

Katie Kelly: Yes, absolutely. In relation to infrastructure at community level, we have a lot going on, so we are not starting from scratch. Some amazing community enterprises and community trusts have emerged, and we have community councils, which might have been formed a long time ago. The point about structure is interesting, because it is important that they are fulfilling their structures. We can also learn from parish councils. I was recently in Sweden, which has some very local structures.

There should be more powers in communities. We need to figure out what they can take on, what that should look like and how we enable that. For me, it is not about delivering services to people, because communities do not have departments; it is about finding out what people need and, where possible, giving them control over that.

The Scottish Government has done brilliant work on participatory budgeting. We need to layer in that work with natural communities and take an enabling approach with public servants to let things thrive. The regional element brings strategic oversight, but it also links closely to the local element. It is not about having a permission culture—

Alex Kerr: It is about enabling.

Katie Kelly: Yes. It is about the relationship between them and not the shape.

The Convener: Let us move on. Murdo Fraser will ask our final scheduled questions, and then I will bring in David Smith.

Murdo Fraser (Mid Scotland and Fife) (Con): Good morning. I have questions about preventative spending, which is of real interest to the committee.

Stuart Hoddinott, the IFG says that the introduction of preventative departmental expenditure limits by the UK Government in next year's spending review "could be transformational". It would be helpful if you could explain what preventative departmental expenditure limits are and why you think they could bring benefits.

Stuart Hoddinott: Before I get into that, I will clarify something. This might sound like a very technical point, but it is important. We never proposed preventative DEL; we proposed a preventative category of spending. I know that that sounds very wonkish and technical, but it is important, because it is slightly different from the current split in the national accounts between day-to-day revenue spending, or RDEL, and capital spending, or CDEL.

The argument that we and others have made is that, generally, Government spending on preventative services is undervalued, because the benefits accrue over the long term and they often apply to departments other than the ones that spend the money. Therefore, there is always a

temptation, particularly when budgets are tight, to cut preventative spending, because the impact is not felt for a long time and it is politically expedient to do so.

We think that, on the basis of those insights, there is a strong case for defining preventative spending, identifying what spending meets that criteria and ring fencing it. We say that there should be a broad ring fence. We do not think that individual things should be ring fenced, but, if various programmes met the definition of preventative spending, money could be moved around within that area, although that money should not be moved across to fund more acute services, for example. That is the thinking behind the idea.

The UK Government has taken an exciting and positive step in saying that it will introduce that system, but there are still a lot of questions about how implementation will work. I will leave it there, but, if you have any questions, I would be happy to answer them.

Murdo Fraser: That is interesting. As you will be aware, the Scottish budget is very much tied to the UK budget because of the Barnett formula. Have you any reflections on what the consequences would be for the Scottish budget if PDEL was introduced?

Stuart Hoddinott: That is one of the interesting questions about implementation, and it applies to Scotland and Wales, in relation to the Barnett consequentials, and to local areas. Will the preventative ring fence get passed down to local areas or to nations? I am not sure about that yet. It will be a question that the Treasury will have to grapple with over the spending review period, among many others.

Murdo Fraser: What is the definition of "preventative spend"?

Stuart Hoddinott: That is the crucial bit. It is very contentious. Just to take a step back, one could argue that almost any Government spending is preventative to some extent, as it is trying to prevent a worse outcome from occurring. One could argue that even an ambulance call-out is preventative, because its purpose might be to prevent a person who has had a heart attack from dying in the street, to use a horrible example. By that definition, everything would be preventative to an extent.

We come to a few conclusions. Our definition is that preventative spend must reduce the severity or likelihood of acute demand on services in the future and must not be incurred in response to acute need. That is helpful, because what is not included is as important as what is. In the ambulance example, the response is to an acute need and, therefore, the spending would not be counted as preventative.

However, that definition is still very blurry. It leaves out some things that are clearly preventative, such as vaccination spending, and some that are clearly acute, such as ambulance spending. There is also a narrowing band in the middle that is unclear. We argue that there must be a political decision about where the boundary falls. Ultimately, it will be a tiny bit arbitrary, and there will be arguments about whether activities on either side of the line fall within the definition.

Overall, the process of departments identifying spending that is more preventative and then following that through helps to drive attention towards it. Once that spending has been identified, it helps to increase accountability, preventing politicians from shifting the spending elsewhere.

The definition is key, but it is a very difficult question and one that we spend a lot of time wrestling with. Ultimately, a line must be drawn somewhere, and it will, inevitably or of necessity, be imperfect.

Murdo Fraser: That is very helpful, Stuart. I saw Richard Kerley scribbling away furiously when Stuart was speaking. Richard, do you have some thoughts on this topic?

Richard Kerley: I scribble away; I cannot necessarily read it after the event.

I agree with Stuart Hoddinott that defining preventative spending is incredibly difficult, although I would not go as far as to say that any Government spending is preventative spending.

I will give you a graphic example that was shared with Katie Kelly and me by George Thorley, who used to be the chief executive of South Ayrshire Council. The council was concerned about the condition of the pavements and the insurance claims that it was facing from people who were falling over. That triggered the council to look at how it reinstated and repaired pavements. The council discovered that a date-driven cyclical model was used—in other words, those involved said, "That was done last. We'll move on to the next one—this is a 1960s pavement." Instead of taking that approach, the council charted where the most falls were occurring and dealt with the pavements there, thereby reducing the claims against it for pavement falls.

At an extreme, that would suggest that, when we have a particularly bad spell of weather, such as when it is cold and frosty, as it is in Scotland, we would do well to put a fair amount more money into gritting pavements than into gritting roads. We could do that very quickly, and that would reduce the number of injured older people requiring ambulance call-outs or treatment in hospital

accident and emergency departments for broken hips and the dreadful consequences that can follow. As my wife said, “You’re one of those older people.”

That is one type of preventative spending. However, it becomes much more difficult when you look at a broader range of services, because you run the danger of defining staff in terms of those who do the preventative work and those who do the rescue work. For example, in social work, I would have thought that, ideally, people would focus on the full array of work with regard to supporting families, adults and children. However, there are means of achieving or reducing immediate calls on public spend through preventative work.

Murdo Fraser: Do you have any thoughts on the PDEL concept that the UK Government has introduced?

Richard Kerley: I think that it is a novel idea. That is a very civil servant answer, even though I have never been one.

I welcome the concept of PDEL, because it will at least focus minds in Government and stop people simply throwing money at putting a few more troops into schools or hospitals. It is a positive idea, but it will need a lot of development work. When preparations are made for the UK budget in a year or two’s time, it will be interesting to see whether it has actively changed the way in which budgets are shaped and spend allocations are made, as well as what its impact has been.

Murdo Fraser: Katie, do you have any thoughts on that?

Katie Kelly: There is some interesting practice on preventative spend, which includes the idea of relational public service, which is a new way of delivering public service. A good example of that is the work that has been done in Gateshead to understand why people were being readmitted to hospital so often or were using other services so much. It was found that, although lots of different public servants saw those people, the interventions were not connected up. Case studies were looked at in which millions of pounds had been spent on keeping people out of hospital and so on. It was found that they were told, “Come back when you’re worse.” In other words, the system did not really adapt.

Relational public service involves understanding how the workforce works. It involves building relationships with people and recognising that prevention involves knowing and understanding people. For someone who has an addiction, it is not about preventing that addiction; it is about understanding why they developed it in the first place. The idea of relational public service involves empowering every public servant, not just those who are involved in prevention, to build relationships with the people they serve, so that they can know and understand them.

We also need to cultivate place. Some interesting work has been done by Lisa McNally, who is a director of public health in England, and Cormac Russell, which is based on the idea that health and wellbeing are created in a neighbourhood rather than at the sharp end and that whether people are happy depends on factors such as housing and leisure. Creating the conditions for prevention involves growing the connections in a neighbourhood and enabling public servants to take a relational approach. Although it is sometimes good to set spending aside, when it comes to the prevention of inequality, investing sometimes creates a dependency, which makes the inequality worse. We need to think about what is sustainable.

Murdo Fraser: Thank you.

The Convener: We come to David Smith. Thank you for your patience.

David Smith: Thank you for your contributions, which have all been very interesting.

I want to step back a little. Given that we are talking about public service reform, from your collective experience, do you have any thoughts on requirements? Have you done any work to look at what local authorities are required to do and what they are trying to achieve? It is necessary to know what the requirements are in order to be able to set the key performance indicators and the outcomes, and there are numerous examples of organisations that have changed their KPIs to make it look as though they are doing better when they are not. It all comes back to the requirements piece.

A good example is the increasing role that our education departments are playing in providing social care for kids when social services should be doing that. Education often fills the gaps in other services. We have talked about the detail, and my question is a broader one about the basic requirements further up the chain. Do you have any good examples, or is your work all about what happens further down the chain?

Katie Kelly: I am happy to go first. That is an interesting question. I wonder about the meaning of the word “requirements”. In my view, public service is about serving local people and providing what they need at this point in their history, and the starting point when it comes to understanding what people need is having a discussion with them about what their needs are.

I am really glad that you mentioned KPIs, because I did not get to speak about the

performance framework earlier. We are caught in a market paradigm. Whereas we had the civic paradigm with Beveridge, the market paradigm is very much about KPIs, efficiency and treating people as customers, passive recipients and clients. A community paradigm is much more about serving people.

10:45

We need to be careful, because, although we use concepts such as business and efficiency—and there is nothing wrong with that, given the need to follow the public pound and ensure that we do things well—performance has sometimes overtaken our ability to serve. It has become more about measurements, KPIs, checks and waiting lists than about ensuring that Mrs McGlumpher does not have to wait two years for her hip operation.

We have done a lot of the work, so we do not need to start from scratch. Democracy matters, and communities all over Scotland are talking about what is important to them. Our job is to serve them, not to guess what they need. At this point, the aim must be to empower them, enable them to do things for themselves, work alongside them and do the things that they cannot do on their own safely. Those aims open up public service so that it becomes all our responsibility. You can be a public servant and go home, close the door at night and be a citizen. A change in balance is needed.

Richard Kerley: I will try to answer your question, but I think that I have a different perspective from yours and incline more towards what Katie Kelly said about providing a public service as opposed to meeting a requirement. She gave the example of local authorities, which are required to do some things and can do other things with a degree of discretion. They have the powers to do some things but do not necessarily have to do them. Whether they do the latter depends on historical practice or on what people say they wish to achieve, which adapts and changes over time.

For example, until a point that I cannot now remember, sports and leisure centres and pools were not open at weekends or were open for only part of the weekend, even though that is when they are most likely to be used. That initial arrangement was based on the very traditional employment model of working 37 hours over a five-day week. If you worked at the weekend, you were paid overtime, which inflated costs dramatically. However, those arrangements have been bought out in most organisations. Those of you who are here in the city at weekends will notice that refuse collection is now a seven-day-a-week service because that is what we need, and it works far more effectively, particularly in some areas. It is about adapting and changing as we go.

Where I fundamentally disagree with Katie Kelly is the claim that having metrics and data is driven by a market model, because not using them is not sustainable. It is useful to know how many people we provide a service to and what we are doing by achieving that.

I have started doing some work—I have not got far with it—that involves looking at social prescribing for sports facilities, which is being trialled in some parts of the country, with some doctors prescribing free membership of a sports centre or whatever it might be. I am trying to establish how many people for whom that is prescribed actually make use of it, because adherence rates for pharmaceuticals and physiotherapy prescriptions, and presumably for exercise prescriptions as well, represent only a proportion of those issued, and that proportion is declining. Think about how many medicines you have stuck in a cupboard at home that you have not used properly. Think about the physio exercises about which you said, “Yes, I’m going to do this every morning at 8 o’clock,” until Tuesday morning. When you do not do them, you say, “I’ll do them twice on Wednesday,” and then it is, “Oh, God—I can’t face it any more.”

The Convener: Have you been spying on some of our committee members? [*Laughter.*]

Richard Kerley: Those who identify with that scenario can share the burden with me afterwards.

We need to look far more at what we are doing and achieving, which is why I would record data. Having accurate data is important. However, you are absolutely right that organisations adjust data to produce outcomes that they think look better and back-pedal on the ones that do not.

Stuart Hoddinott: On the point about requirements, in England, we refer to local authorities’ statutory duties and the requirement to provide certain services. Each local authority has hundreds of—potentially more than 1,000—statutory duties. In the past 15 years or so, there has been a tendency to layer additional statutory duties on to local authorities in lieu of more substantive reforms or additional funding and to hope that they are somehow able to meet those requirements, which is a real problem. The consequence is that they end up rationing other services to try to meet the bare minimum legal requirements. There is a problem with a mismatch between the legal duties and having insufficient funding to fulfil them, which we have identified.

On the point about KPIs, I am sympathetic to both sides. We write a report that consolidates performance indicators, so we are clearly in favour of having an indication of how services are performing. There is a balance: if there are too many KPIs, it becomes meaningless and it is

impossible to determine how a local area is performing, and it is difficult to balance the requirements, so services end up ignoring all of them. KPIs that are too focused on inputs or outputs are unhelpful and tend to lead to odd behaviours, such as hiring more staff, regardless of what they are doing or the work that they are directed towards. We need a judicious number of KPIs and they need to be carefully designed to ensure that they do what you want them to do.

David Smith: I will come back to your point about statutory duties. It was probably due to the phrasing of my question; I used the word "requirements", but statutory duties is probably a better term. Are there any good examples of where organisations have looked at statutory duties that have been layered on year on year and rationalised them? Has anyone taken a big pen to them and scored everything out or consolidated those duties?

Stuart Hoddinott: Not that I know of. In England, that would require legislation, because there are statutory and legal duties, so there has to be either primary or secondary legislation to get rid of them. From the perspective of national Government, there is a bad political incentive at play, because it is very easy for national Governments to create an additional duty or requirement for a local area and say, "That is the local authority's responsibility. If they are not fulfilling it, it is up to them." There is also a political cost to national Government withdrawing a statutory responsibility and being blamed for local authorities no longer having a requirement to provide a library service, for example. That would look bad for national Government but, at the minute, it is politically costless to keep the duty on the local authority. I am not sure whether there has ever been a large-scale rationalisation and will defer to other witnesses on that.

David Smith: I see the witnesses shaking their heads. If we are talking about public sector reform as a complete reorganisation, would a rationalisation of statutory duties be high up on the to-do list and worth while, or is it a little bit overambitious?

Stuart Hoddinott: In the first instance, it would be good to understand what the statutory duties are. The last time there was an audit of statutory duties for local authorities in England was 2011, so it is now out of date. I do not think that the number of statutory duties is the problem; there is a gap between the expectations and requirements that are placed on them and the level of funding that they are provided or are allowed to raise in order to meet their duties.

Local authorities are democratically accountable organisations and are answerable to their residents, so there could be an argument for having more local determination over what services are provided. I would also say that the public's understanding of what local authorities do is quite poor. That is not to say that that is a reason not to try to get better community engagement with those services, but there are risks with that.

Michelle Campbell (Renfrewshire North and Cardonald) (SNP): Thank you for your time. It has been really interesting to hear what you have to say.

I point to my entry in the register of members' interests, which shows that I am a sitting councillor in Renfrewshire and a mental health nurse in the NHS. My comments might hit on both strands due to the nature of the conversation.

This has been an overarching discussion because so much is involved in public service reform, and I do not have a specific theme for my questions. However, I am interested in this comment on page 27 of the report "Ministerial leadership of public service reform":

> "Effective ministers have strategic oversight of reform, but do not try to solve every problem themselves".

I concur with that, but the question is how we build the trust that is needed. Trust is such a fragile and volatile thing at the moment, and we can see that people feel despondent and detached from politics because of their distrust. People are fed up with seeing politicians slapping one other across the head, trying to score points and looking for their next social media hit and headline.

How do we build public trust so that we can truly achieve the desired outcomes through public service reform? That will involve people doing and learning and transforming as we go along, and political will is required for that to happen.

Going back to the comment that I quoted, I note that this is about leadership and the capability of that leadership. It is in the nature of this work that people will need to learn things as they go along, and they might not initially have the capability that they need. I am not asking a specific geographical question; I am just asking about the ideology. How can political leaders best address that?

I appreciate that I have asked some big questions. I am happy for you to be succinct and comment on what you think is most relevant thing in what I have said.

Stuart Hoddinott: Those are indeed enormous questions. In England, we are talking to the Burnham Government about building public trust. On the one hand, we have an incredibly ambitious 10-year plan to rewire the state to completely change how Government operates, which we think could be transformative and support improved performance over the long term—probably even

beyond the 10-year horizon. However, balanced against that is the immediate need to try to win the next election so that you can carry on delivering that agenda, and to win the election, you have to try to demonstrate some improvements in the public services that people care about. How easy is it for people to get a GP appointment? Are the police there when people feel unsafe in their neighbourhoods?

There is a real tension in building trust with some visible performance improvements in order to give you the political cover to do the longer-term reform, which will by its nature require more than one session of Parliament. I do not have a good answer to how you do that. I am not even sure that it is the right thing, frankly. I am not a political person, so I hold my hands up on that.

On your point about ministerial talent and trust in Government, excellent ministerial leadership is needed, but there is no guarantee that a new minister will be good at the job. As with any job, there is an element of learning and it is important that people are given the grace to understand their brief and get up to speed. It is helpful if people are not constantly reshuffled out of their jobs. I do not think that it is a coincidence that, in the UK Government, we have had very poor housing policy for a long time and we have had nine housing ministers in the past 15 years or so.

I think that being given the space to grow into it, to understand the brief, to work with your officials, to build trust with them and to then be able to implement that strategic view is quite important. This strays into an area that my colleagues talk about a lot, but how the civil service and ministerial interface works is quite important for that as well. I will leave it there for now.

11:00

Michelle Campbell: Thank you very much, Stuart. Katie?

Katie Kelly: Building on that, there is a brilliant opportunity here during the transition and the reform to model the behaviour that we want to see going forward so that the trust does not just start when local government is reorganised. It is about how we start to model the behaviour nationally, locally and in communities, so that people start to expect that kind of behaviour. We have had the leadership framework come out of Government, which I have found really interesting. It is about being relational and respectful; it is about collective, collaborative leadership. That is what we need just now—people who can span boundaries. There is an opportunity to model how this behaviour all folds out now at the different levels, like a Russian doll.

Also, for this to be successful, we need to look at the national picture. We cannot just be looking at regional, local, and communities. What is the shape of national Government just now? How is it serving that reform? Its shape will need to change in terms of the public servants here being able to respond to that reform. You cannot have the national Government staying rigidly the same and then expect everything else to change. Trust comes from people seeing that all parts of the system—national, regional, local, and communities—are starting to change.

In terms of the general public, my experience is that the closer you get to communities, the more trust is built up, because you build relationships. Over the summer, I have been out across Scotland, in Falkirk, Argyll and Bute and Renfrewshire, talking to groups of people from across communities, and to officers at the same time, and starting to grow those relationships. They are all at different stages, but I heard from Inchinnan Development Trust about the work that it is doing, which is a good example for you.

Trust is a human thing and it comes out of people understanding things from their perspective; behaviour and consistency are very important, as Stuart Hoddinott mentioned. To me, it is about trying to bake in that approach. You talked about the kind of leaders that we need. If we are all coming at this from a different level, we need to ask, why are we doing this? If there are different visions—whether it is to save money or whether it is because the system does not work or whether it is political—we will not get the trust from people because we are all going to have a different motivation. We must have a shared vision about why we are doing it and then we can move from there. We need to move at the speed of trust. This will be implemented only if we grow the relationships and take the time to do that.

Michelle Campbell: Thank you very much for that and thank you for your comments about Inchinnan Development Trust, which is also in my ward area as a sitting councillor, so I have seen its progression.

Richard Kerley: Trust is a very complex aspect of relationships, whether one-to-one or one-to-many or many-to-many. I always think that a good starting point is to be candid when you have got it wrong and to say, “We’ve got it wrong,” so a good starting point for the Scottish Government at present would be to say, “Our three-month timetable is unachievable. We were wrong when we stated ‘three months’ and therefore, having had discussions with various people involved in public service reform, we are going to take more time to achieve this”. Nobody believes in the three-month timetable anyway, so you might as well own up and say it, or else somebody else will come along

and beat you over the head with it when you do not hit the three months.

On the second issue, I would go with Katie Kelly in terms of needing to be closer to communities or closer to employees or closer to those who use a service and being candid with them about what can be achieved and what cannot be achieved. Sometimes that is difficult and the first reaction will often be, “Wow!”. However, if you run from it, you do not do anything to improve trust. It is an opportunity to say, “We would like to achieve this but we think it’s going to take time,” or, “We would like to achieve this, but it’s going to be in stages because we have to get X right before we move on to Y and then on to Z,” and then see how you can build on that. However, saying that you are wrong is a good starting point.

John Major, some of you might remember, was much derided when he talked about making mistakes. That is not what Governments did. They just said, “No, no, we’ve got it right. We’re not going to be challenged. We’re going to press on with it,” but I think that he was right.

Michelle Campbell: Thank you very much for your comments.

The Convener: Well, ending on a John Major commendation is an interesting way to close the evidence session. I am being slightly glib. It has been a really helpful evidence session and a really good scene setter for our inquiry as well, from all three witnesses, so I thank you all for your time this morning.

Before we move into private session, I will highlight that at our next meeting, on 26 November, the committee will continue to take evidence in this inquiry on standards for public service reform. I also put on the record that I understand that Stuart Hoddinott is staying with us to give us a bit more information on the performance tracker, which we very much welcome. With that, I thank all three witnesses once more and we will now move into private session. Thank you.

11:05

Meeting continued in private until 12:17.

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