

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

Wednesday 18 June 2008

Session 3

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LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

19th Meeting 2008, Session 3

CONVENER

*Duncan McNeil (Greenock and Inverclyde) (Lab)

DEPUTY CONVENER

*Kenneth Gibson (Cunninghame North) (SNP)

COMMITTEE MEMBERS

*Alasdair Allan (Western Isles) (SNP)

*Bob Doris (Glasgow) (SNP)

*Patricia Ferguson (Glasgow Maryhill) (Lab)

*Johann Lamont (Glasgow Pollok) (Lab)

*David McLetchie (Edinburgh Pentlands) (Con)

*Jim Tolson (Dunfermline West) (LD)

COMMITTEE SUBSTITUTES

Robert Brown (Glasgow) (LD)

Rhoda Grant (Highlands and Islands) (Lab)

Tricia Marwick (Central Fife) (SNP)

Margaret Mitchell (Central Scotland) (Con)

*attended

THE FOLLOWING GAVE EVIDENCE:

Colin MacLean (Scottish Government Children, Young People and Social Care Directorate)

Rory Mair (Convention of Scottish Local Authorities)

Ruth Parsons (Scottish Government Public Service Reform Directorate)

Gavin Whitefield (Society of Local Authority Chief Executives and Senior Managers)

CLERK TO THE COMMITTEE

Martin Verity

SENIOR ASSISTANT CLERK

Jane-Claire Judson

ASSISTANT CLERK

Ian Cowan

LOCATION

Committee Room 1

Scottish Parliament

Local Government and Communities Committee

Wednesday 18 June 2008

[THE CONVENER opened the meeting at 10:01]

Decisions on Taking Business in Private

The Convener (Duncan McNeil): Good morning. Welcome to the 19th meeting in 2008 of the Local Government and Communities Committee. I remind everyone to switch off their mobile phones and BlackBerrys.

Do members agree to take in private items 3 and 4? Under those items, we will discuss approach papers, and it is normal for the committee to consider such papers in private. Is that agreed?

Members indicated agreement.

Single Outcome Agreements

10:02

The Convener: Agenda item 2 is on single outcome agreements. The committee will take oral evidence from members of the single outcome agreement group on their work. We have with us Ruth Parsons, director of public service reform in the Scottish Government; Colin MacLean, director of children, young people and social care in the Scottish Government; Rory Mair, chief executive of the Convention of Scottish Local Authorities; and Gavin Whitefield, chief executive of North Lanarkshire Council and chair of the Society of Local Authority Chief Executives and Senior Managers. I welcome all the witnesses and invite one of their number to make some introductory remarks before we proceed to questions.

Ruth Parsons (Scottish Government Public Service Reform Directorate): Thank you for that introduction, convener. I will be brief. I thank the committee for inviting us here. I speak for all of us when I say that we welcome the opportunity to discuss with the committee the development of single outcome agreements.

Single outcome agreements are a key element of the concordat with local government. For the first time, the Scottish Government and local government are working as equal partners towards agreed outcomes, under a single national purpose, and aligning all our public services towards the delivery of better outcomes for the people of Scotland. The development of single outcome agreements is a clear demonstration of the new working relationship that is set out in the concordat. Working jointly in developing that process, we have made significant progress in a relatively short space of time. That has allowed the timetable for developing single outcome agreements to be accelerated so that we can gain early practical experience and learning during 2008-09.

In April, we received 32 draft single outcome agreements, and we are working together to sign them off by the end of June. It would be inappropriate for me to discuss specific details of the agreements until that has happened. However, we recognise the importance of parliamentary scrutiny, particularly given that this work represents a significant cultural change for everyone involved, and we will do our best to answer any questions that members have about the development of the agreements.

All of the people on today's panel are members of the high-level steering group and equal partners in the development of the process. We will all contribute to answering the questions that you put

to us today. If it would be helpful, members may direct their questions to me in the first instance; I will then direct them to the appropriate member of the panel.

The Convener: You have spoken about timing and having a learning year. Given that the single outcome agreements were expected to be submitted by local authorities to the Scottish Government by 1 April, with the final arrangements in place by 30 June, can you explain what you mean by the development process being accelerated?

Ruth Parsons: Yes. When the concordat was agreed, the intention was that the single outcome agreements would be developed during 2008-09. In fact, it was local government and SOLACE that decided to increase the pace. SOLACE came forward with an offer to agree the single outcome agreements by 1 April. Therefore, we have done that piece of work over a shorter period than was envisaged when the concordat was signed.

The Convener: In evidence to us, Rory Mair said:

"We have said that the first of the joint outcome agreements should be delivered by April and that, during the next year, every council should reach an outcome agreement—that is the period."

Is that different from what has just been said?

Rory Mair (Convention of Scottish Local Authorities): When we originally spoke about the matter, we were talking about perhaps piloting outcome agreements in some areas and doing them in tranches, starting in April. Then, we reflected that that would not give us the full range of outcome agreements, so SOLACE and local government leaders decided that every council would produce an outcome agreement, which would be agreed by the end of June.

The Convener: I am getting a bit confused. Back in December, when John Swinney gave evidence—at the same meeting as you gave your evidence—he said:

"My officials and I are working hard to ensure that the agreements are in place by 1 April 2008, so that we have a replacement regime from day one."—[*Official Report, Local Government and Communities Committee*, 5 December 2007; c 354, 392.]

Ruth Parsons: The process moved very quickly. The concordat, which was signed on 14 November 2007, indicated that the process would take place during 2008-09. We started working on the process almost immediately, and we accelerated the delivery of the single outcome agreements. The concordat that was agreed on 14 November last year and the 32 draft single outcome agreements that were delivered by 1 April this year represent a substantial piece of work, carried out at a pace that we do not often

see. Delivering that as part of the concordat has demonstrated significant commitment on the parts of local government and national Government.

The Convener: I am having difficulty understanding the use of the word "accelerate" as, back in December, Rory Mair and the Cabinet Secretary for Finance and Sustainable Growth made it clear that delivery by 1 April this year was what was expected.

To move on, if this year is to be described as a learning year, is it reasonable to hold local authorities to account for their performance against the outcomes in their single outcome agreements for 2008-09?

Ruth Parsons: It is important to recognise that agreements have been made. A significant amount of work has been done on behalf of local government and national Government to develop the very best single outcome agreements that we are able to produce in the time that is available. That is clearly part of a continuing process, during which we will continue to learn together and to develop. We are absolutely committed, and we think that the quality of the draft single outcome agreements is quite high. A significant amount of hard work has gone into them. The annual reporting mechanism will cover the first year's single outcome agreements and the reports will be delivered to the public and the Government.

The Convener: So authorities will be held to account for 2008-09.

Ruth Parsons: It is a partnership, with an agreement. We must remember that, to deliver on outcomes, contributions are required from just about all parts of the public sector, including national Government and local government. Therefore, we must all play our part and contribute to the outcomes.

The Convener: From the evidence and the description that the cabinet secretary gave us, there was an understanding that community planning partnerships and health boards would not be included until 2010-11 and that local government had a responsibility to develop outcome agreements from April, and to deliver on and be accountable for them.

Rory Mair: I would like to make two points. First, we expect that we will be held accountable for the outcome agreements in the first year. At the end of that year, we will expect to discuss with Government whether we have delivered the things in the outcome agreements that we said we would. Secondly, on community planning partnerships, although we decided that all councils would deliver, some councils' planning is already so inextricably linked with their community planning partners that it made sense for the partners and the council to submit the single outcome

agreement in the first year. About 15 or 16 of the outcome agreements cover the whole community planning partnership, and the remainder will cover the whole community planning partnership by next year. We certainly expect to be held to account for the things that we have said that we will do in the outcome agreements by the local electorate—because the agreements will be public documents—and in the discussions that we have with Government.

Johann Lamont (Glasgow Pollok) (Lab): On doing pilots versus doing the whole thing in a rush, I honestly do not recall there being at any point a suggestion of doing pilots, other than from people who had concerns about the process. The pilots approach has been taken down south. I do not know whether you consulted other folk who have tried to develop single outcome agreements, but my understanding is that they have been piloted in England and that they have worked at a different pace there. Given the concerns that there were about the implications of ending ring fencing and about the hiatus while single outcome agreements were developed, would it not have been logical to have had pilots to ensure that people were consulted and reassured before the jump to a particular position? The cabinet secretary said from the beginning, “We’re just going to do it.” It would have been more reassuring if it had been done the other way round.

Gavin Whitefield (Society of Local Authority Chief Executives and Senior Managers): We in SOLACE and COSLA have been moving towards single outcome agreements for some time, in discussion with the previous Scottish Executive and, more recently, with the Scottish Government. SOLACE felt that we had an early opportunity to demonstrate local government’s ability to deliver on single outcome agreements, which we were keen to see introduced as soon as possible across all 32 councils. The matter was discussed extensively in the SOLACE branch, in conjunction with COSLA, prior to the concordat and following that, and was linked to the high-level steering group.

Reference has been made to ring-fenced funding. Approximately 20 per cent of funding was ring fenced for specific purposes, with well over 50 different funding streams. The system that was in place had individual accounting, reporting, monitoring and evaluation arrangements for each of those funding streams, which in total accounted for 20 per cent of our resources. We saw an opportunity to streamline the system. There was also the challenge of improving accountability in local government and community planning partnerships by focusing not just on the 20 per cent of resources, but on 100 per cent of the resources and what councils and community planning partners were delivering with the

resources at their disposal in each of the council areas.

Single outcome agreements had been on the agenda for some time. Having been given the opportunity to introduce such a system, we were determined to introduce it as quickly as possible. However, we also recognised that we were going at a considerable pace and that it would be a process of development. On a number of occasions we have said that this is more of a journey than a destination. The first target of submitting all 32 councils’ agreements by 1 April has been achieved. We have a short-term target of signing off the agreements by the end of June but, immediately after that is completed, work will need to continue to build on that progress, particularly on getting consistency across all community planning partnerships’ submissions for 2009-10 onwards.

Johann Lamont: That is exactly my understanding of what was decided. That was the direction of travel, because of the restrictions of ring fencing, and the decision was made that all local authorities would have to have a single outcome agreement. However, my question was whether it would not have been better to go at a different pace to reassure those who were anxious about the consequences of taking away ring fencing without having consulted organisations. What you just said does not sit with what was said about first wanting to do pilots and then deciding to accelerate the process. Those things do not match.

10:15

Gavin Whitefield: I recollect that there was discussion of how we could best address the matter following the signing of the concordat. It was recognised that we should work towards the very challenging timescale of having all 32 councils submit their agreements by 1 April, to ensure consistency and back up the commitment that had been given. That has been delivered.

Johann Lamont: So the process has not been accelerated.

The Convener: Patricia Ferguson has a particular interest in community planning processes.

Patricia Ferguson (Glasgow Maryhill) (Lab): I do. Given that community planning partnerships are not involved in drawing up single outcome agreements, what mechanism exists for them to be involved in the process? How should they be involved in the future?

Ruth Parsons: As Rory Mair said, community planning partnerships have been involved in around 15 or 16 of the single outcome

agreements. All community planning partnerships expect to be fully involved in drawing up the single outcome agreements by April 2009.

Patricia Ferguson: What do you mean by the word “involved”?

Ruth Parsons: Gavin Whitefield can probably give an example of how things work in practice.

Gavin Whitefield: To date, the community planning partnerships that have submitted proposals already have in place an outcome-focused community plan that has been developed in consultation with partnerships and communities. However, a number of community planning partnerships are at a different stage in the process. The partnership boards at the local level will be the key mechanism to ensure that all partners are involved.

Earlier, I referred to the need to maintain momentum in the process. From 1 July, it will be crucial to have the full involvement of all community planning partners for 2009-10. I see the whole process as adding value to community planning and improving its effectiveness throughout Scotland. It will bring a much sharper edge to the whole performance regime within which community planning partnerships work.

Patricia Ferguson: How is it intended that local community planning partnerships will be involved in the process? Should they wait to hear what a single outcome agreement is and then focus their work on it or will they have some initial input to the agreement?

Gavin Whitefield: All community planning partnerships will be fully involved in the process. That involvement is essential because of the joint accountability at the local level—not only councillors, but the national health service, enterprise bodies, the police, the fire and rescue services and other parts of community planning partnerships will be accountable. It is well recognised that community planning partnerships must be fully involved in the process. That involvement is crucial to success.

Colin MacLean (Scottish Government Children, Young People and Social Care Directorate): Several different approaches have been taken. Some councils have drawn up a draft document and shared it with partners, which have been consulted on its contents. Formally, such a document remains a council document. In other cases, documents have been formally agreed by the partnership and individual partners. The health board, police authority and so on will have considered it and agreed to it, and the draft that we have received will have been signed off by all of them, not only by the council.

Patricia Ferguson: I am really interested in local community planning partnerships, not central planning boards.

Colin MacLean: I am talking about local partnerships.

Patricia Ferguson: Given that, locally and centrally, community planning partnerships are intended to make decisions that are based on priorities that local communities have said should be priorities, how do the conversations that they are involved in and the decisions that they make feed into the overall process of reaching outcome agreements?

Colin MacLean: The individual partnerships that I have been working with have gone through a process of consulting communities and their partners and of agreeing local priorities and the document that contains their outcomes and indicators, which they have all signed up to. Individual organisations then work to contribute to the process. We are talking about a collective agreement that they are committed to rather than their simply accepting something that the council has identified.

Patricia Ferguson: So you expect that community planning partnerships at whatever level will be involved in discussions before April.

Colin MacLean: They will all need to be involved before April next year if they want to be fully part of the process. However, some of them have already been involved in discussions this year.

Patricia Ferguson: Ruth Parsons mentioned that the approach is all about partnership. I suspect that we will want to examine what sanctions might be available to the Government, but what sanctions do local authorities think they have if central Government does not make the appropriate contributions—I put it no more directly than that—to the work that they are trying to do?

Rory Mair: Given that it is a partnership and that it is reasonably new, we have set up a regular meeting between Scottish local government leaders and cabinet secretaries. If the 32 councils believed that there was a problem with the commitment to the community planning process, we would raise it at that meeting and ask our partners to try to unblock it. So far, we have not had such a discussion.

Patricia Ferguson: I was not talking specifically about community planning; I was talking more generally about outcome agreements and how local authorities can influence the inputs—to use one of the jargon words that are used frequently in the debate—to those agreements. If the priorities are set by the Government but local authorities and their partners are expected to deliver on them,

what mechanism is there for local government to say to the Government, "Hold on a second, we cannot do that because you are not playing your part"?

Colin MacLean: As part of the process that we are going through, individual councils or partnerships are making specific requests of the Scottish Government. They are asking it to do particular things as part of the agreements, so the agreements are two way: the councils commit to do certain things and so do we as the Government. If that fails, we need to discuss how we make it work.

The Convener: Does Jim Tolson want to ask a follow-up question on that? If not, Bob Doris wants to get in first.

Jim Tolson (Dunfermline West) (LD): Let him in first.

Bob Doris (Glasgow) (SNP): I thank the witnesses for coming along this morning and giving us the opportunity to ask them a few questions. I am interested in how we will assess or scrutinise how local authorities deliver on single outcome agreements. I refer to the national outcomes, the indicators and national commitments. What role do the Convention of Scottish Local Authorities and the Scottish Government have in that scrutiny process?

Ruth Parsons: It is important to restate the fact that the outcomes in the national performance framework are shared outcomes towards which all Scotland's public services are contributing. That means that, probably for the first time, there is alignment across all the public services and it is recognised that all parts of the public services must contribute to the outcomes.

There is a reporting mechanism for the single outcome agreements, so a report on them will be publicly available. All the public sector, but local government in particular, has a duty of best value and a duty to report publicly to citizens, the Government and the Parliament. There will be an opportunity to scrutinise delivery through the progress reports that will be made available.

Bob Doris: I am glad that you said that it was about shared outcomes. I notice that your written submission to the committee says:

"progress on the mutually agreed outcomes for Scotland as a whole cannot in most cases happen unless progress is made at a local level. Through the Concordat, councils are committed to supporting progress at national level through improvement in outcomes at local level."

Do you envisage that, when single outcome agreements are signed off, they will make some reference to the shared national commitments that COSLA has agreed in the historic concordat?

Ruth Parsons: In developing the single outcome agreements, all local authorities have been asked to consider their contribution to all 15 of the national outcomes. Those outcomes will be taken into consideration, so how the local priorities and outcomes contribute to the 15 national outcomes lies at the heart of the single outcome agreement process.

Rory Mair: There are two elements in the concordat document: the commitment to outcome agreements; and more specific commitments, such as increases in respite care. We have said that as most of the latter are input based, we should report on them separately and specifically. For example, if we have said that there will be 10,000 extra weeks of respite care, local government will report through COSLA to the Government that we have delivered 10,000 weeks of respite care. Councils may refer to those commitments in the single outcome agreements, but they are so specific that we felt that we needed a specific reporting mechanism for them.

Gavin Whitefield: The primary focus is on the alignment between national and local outcomes, as Ruth Parsons suggested. There are 15 national outcomes and 45 indicators, and we must consider what is most relevant at local level. Councils will consider the indicators that support their local outcomes. That work will be part of the annual performance report that councils will produce—which ties into ideas on accountability. Community planning partnerships will also produce such reports if there is a CPP single outcome agreement. Those reports will say whether specific targets have not been met and will explain what action is being taken to remedy that.

Audit Scotland will also have a role, and people have already referred to the links to best value. Audit Scotland is a member of the high-level steering group and has been involved in developing the framework for the first draft single outcome agreements.

Bob Doris: I am more interested in the commitments than in the indicators and outcomes. The national commitment on class sizes is one of the most significant commitments in the concordat, so would it not be reasonable for a local authority at least to mention class sizes when drawing up its single outcome agreement?

Gavin Whitefield: As Rory Mair has said, discussions continue between COSLA and the Scottish Government on the separate mechanism that has been put in place to monitor the overall concordat. Some councils will have referred to some of the manifesto commitments, as Ruth Parsons said. I have not seen all 32 single outcome agreements. There will be variations, but the primary focus of the single outcome

agreements is the link to the 15 national outcomes.

Bob Doris: I have not looked at the 32 draft documents either.

The commitment on class sizes is not simply based on a manifesto commitment; it is a shared commitment in the concordat between the Scottish Government and local government. When I talk about a commitment on class sizes, I am not talking about the Scottish National Party pre-election commitment, but about the shared commitment between local government and the Scottish Government.

I have had the chance to look at only two single outcome agreements—the one for my local area, Glasgow, and the one for Perth and Kinross. The Perth and Kinross Council single outcome agreement specifically mentions class sizes: over the next year, the council aims to put in resources to ensure that primary 1 class sizes will be a maximum of 18. That commitment ties in with the high-level shared commitment in the concordat. However, the Glasgow City Council single outcome agreement does not mention class sizes even once. It worries me that the largest local authority in the country could, at a stroke, undermine the whole process. I ask again: would it not be appropriate for a local authority at least to mention class sizes in any single outcome agreement that it asks the Scottish Government to sign off? Glasgow City Council could let down every other local authority in Scotland very badly indeed.

Ruth Parsons: The concordat package has a number of facets. It has been decided that the single outcome agreement will focus on the 15 national outcomes. If a local authority wants to refer to a commitment, it can do so, but that is not an integral part of the process. As Rory Mair said, a separate process exists for monitoring and reporting on the progress on the commitments, as agreed in the concordat.

Colin MacLean: A more general issue arises: a single outcome agreement does not attempt to capture everything that the council and its partners are doing; it attempts to capture the particular contributions to local priorities, linked to the national outcomes.

Bob Doris: As I said, I do not know what other local authorities are doing, but the two that I have read about offer a direct contrast. Obviously, I am interested in my own local authority.

On consultation and partnership working, you say in your written evidence:

“The delivery of local outcomes requires collaborative work by all partners providing public services.”

I know that a number of local authorities have been working on a cross-party, collaborative basis, irrespective of whether councillors are part of the ruling administration. Would it be good practice for a council to have a collaborative process whereby all the councillors—or all the councillors on a set committee—would be able to scrutinise draft or pre-draft single outcome agreements?

10:30

Gavin Whitefield: Single outcome agreements are council documents that are considered and agreed through council committee systems prior to their submission to the Scottish Government for discussion.

Bob Doris: I mention that process because it was used by Perth and Kinross Council, East Dunbartonshire Council, Aberdeenshire Council and a whole series of councils. I merely point out to the committee that in Glasgow, opposition councillors were allowed to see the final single outcome agreement only two and a half days before the executive signed it off. That position was unique. I hope that Glasgow City Council will not let down other local authorities. Do you consider what happened there to be good practice?

Gavin Whitefield: It is not for me to comment on individual councils' decision-making processes. Councils have decision-making processes that they consider, agree, operate under and use to consider single outcome agreements and other key strategic issues. The same processes are subject to scrutiny through the audit of best value and community planning, for example. I recollect no negative comments on those processes in Glasgow's audit report. If I remember correctly, the report welcomed a move to modernise further the committee system. That was some time ago.

The Convener: Can all 32 local authorities' outcomes and indicators in single outcome agreements be aggregated to provide the national picture? If so, will that be done?

Colin MacLean: For each of the 45 national indicators, an agreed process is in place to collect information to provide the national picture. That information may come from local authorities, health boards, the police or others. Entirely separately, councils or partnerships choose which indicators they want to use. If those indicators happen to be common throughout the country, we can add up the numbers but, in general, they are different.

We will have 32 different commitments on each of the 15 national outcomes, so we can consider qualitatively what councils are doing throughout the country to tackle issues that relate to those outcomes. We do not know whether councils will

in due course move towards broadly the same indicators. That is a process for councils to consider in deciding what will be of most benefit to them in relation to benchmarking throughout the country. Nationally, we have the processes that we need to obtain information about the national indicators.

Rory Mair: In the guidance that we provided when we developed the outcome agreements, we suggested that 45 or so indicators might be used locally. However, because we want councils to be accountable—the committee has pressed us on that—we said that if councils did not have the data sets for those indicators but had local indicators that could demonstrate progress against the outcomes, they could use the local indicators that they had information to support. That means that, in the concordat's first year, we probably have more diversity of indicators than we hope to have in the future. In the coming year, one job that must be done is that of examining all the indicators and deciding whether we can standardise them and reduce their number so that, as well as having the evidence base to show progress, we can add up what the 32 councils are delivering, which will provide a clearer picture of what is available nationally.

The Convener: That will be the next stage. The situation is complicated at present. We have 32 councils. If we add to them the health boards and others who deliver, I start to lose the plot on how—as Mr Doris said—we can realistically measure achievement of the national outcomes and indicators and monitor progress locally.

Rory Mair: We agree that the process will be complex. As Gavin Whitefield said, we previously had 50 reports on 20 per cent of our expenditure and very little on the remaining 80 per cent. Having for the first time outcome measures for 100 per cent of local government expenditure and—we hope—for 100 per cent of public sector expenditure is complex. We cannot make that uncomplex.

The Convener: But the historic concordat does not require that standardisation. Will there be another negotiation with local authorities to get them to buy in to a clearer set of principles and clearer communication of the outcomes, and to allow those to be monitored effectively?

Rory Mair: The concordat does not say that there will be standardisation of indicators. It says that local government will work with national Government to demonstrate progress on the national indicators. I and COSLA's leaders and chief executives believe that we have to help the process of being able to state a national picture by coming up with a number of indicators that is not only big enough so that we have some diversity

throughout Scotland, but small enough so that we can see a national picture emerge from the work.

We do not need another negotiation. We said that we want to be able to allow Government to demonstrate national progress against the national outcomes, and our method of reporting has to support that.

The Convener: So, if local government decides to remain silent on 10 or 20 of the issues, that is okay.

Gavin Whitefield: The guidance sets out clearly that local government and community planning partnerships, where appropriate, are required to set out their local outcomes and how they align with national outcomes. Every one of the 15 national outcomes requires to be considered. The extent to which each national outcome is covered in the single outcome agreement will reflect the relative priority of that outcome at the local level. That is clearly recognised in the guidance and it has been taken forward in the single outcome agreements that have been submitted to date.

It has been a major challenge to develop the suite of indicators that support the process within four months and to get to the point at which 32 agreements have been submitted, but I emphasise that, as Rory Mair said, the process will be much more streamlined. The key challenge that we face in moving it forward is to keep the single outcome agreements manageable and meaningful. We must not have so many indicators and targets that we cannot focus on the key priorities or measure performance. It is a challenge to ensure that we have a level of consistency, but we must also align that with the need for local flexibility that reflects the different local priorities in Scotland's 32 councils.

Colin MacLean: I will illustrate that by discussing two indicators on which we have national information but do not yet have local information. Indicator 9 is:

"Increase the overall proportion of area child protection committees receiving positive inspection reports".

That indicator can be tested nationally each year, but some councils do not have child protection inspections, so the indicator does not apply to them. We need to discuss with them how they can generate an equivalent set of information on child protection.

Indicator 30 is:

"Reduce number of working age people with severe literacy and numeracy problems".

The information that we have on that is based on national surveys, but they are not big enough to generate information at local authority level, and certainly not in relation to the smallest authorities. We are therefore discussing with authorities how

they can get the information that they need to consider literacy issues in their localities, given that the national surveys do not give them the information that they need.

Jim Tolson: We are going into a lot of depth because we need to consider the targets carefully and ensure that things are measured properly. As Colin MacLean said, some of the national indicators include increases in various targets, some include decreases, and some have a specified figure as a target that should be reached. I am interested in Ruth Parsons's comment that there are equal partnerships between the Government and the single outcome agreement group and local authorities. The Government has given out 60 different targets, but I do not know what it is doing to be an equal partner and play a part in reaching the targets in many cases. Because the field is so wide and complicated, that will be difficult.

What greater flexibility might there be regarding whether all or most of the targets need to be reached? Who will decide whether the outcomes have been achieved?

Ruth Parsons: As you know, the Scottish Government launched Scotland performs with those targets and will publicly report on progress towards them when the information is available. That information will be updated in future. The Government is setting out what it intends to achieve and how progress will be measured, and that will be publicly reported.

All public services will contribute to the outcomes, and the Scottish Government has its part to play, too. The agreement between the Scottish Government and local government means that the two spheres of government in Scotland are agreeing to contribute to a shared set of national outcomes. All the public bodies, agencies and policy areas in the Scottish Government are contributing to the outcomes, as are local government, health boards and community planning partnerships. Everybody is now aligned and making a contribution.

We have regular discussions through not only the high-level steering group but another group, which I chair and which manages the overall relationship. Those on-going discussions are about how we continue to develop the relationship that we are building and any issues to do with the relative contributions.

Another important aspect of the concordat is an agreement to work jointly at the outset of policy development. The way that we have developed the single outcome agreements is a clear demonstration of that co-operation. That is partly why we have been able to move quickly through the process and work in a way that has allowed a

great deal of ownership, commitment and accountability to develop in a complex situation.

The convener spoke about the complexity of the indicator set. I think that it is refreshing to recognise where we are. If we were to wait to develop the ideal set of indicators, both local and national, and all the data sets to support that, we would not be talking today about 32 single outcome agreements. This is very much a learning and development process, and I acknowledge that the variety of information that we have is complex and that there is a desire to move to greater harmonisation. However, that variety provides an enormous capacity and opportunity in Scotland's public services for learning about how we might deliver the outcomes—and do so better than before.

Jim Tolson: I appreciate your answer. You are right that all the local authorities and public bodies are trying to play their role—I am sure that the Government is, too.

There is a great concern across much of Scotland about whether the Government will reach its targets on class sizes, to which Bob Doris referred. Many of us feel that those targets are already unravelling. In fact, only last week or the week before, Glasgow City Council announced that it would not reach some of the targets. Despite the best efforts of many of the partners in trying to meet the targets, it will be impossible for them to do so if the Government does not provide the necessary support.

Ruth Parsons: As we have already said, the monitoring and reporting of the achievement of the commitments will be done separately. We are focusing on the delivery of single outcome agreements that contribute to the national outcomes. That is our focus in the development of the single outcome agreements.

Alasdair Allan (Western Isles) (SNP): Will you comment on the role that the committee could have in monitoring the progress, both local and national, of the new arrangements for single outcome agreements? Would you be willing to take into account any committee views or reports in your assessment of the progress of the new system?

Ruth Parsons: The cabinet secretary would probably want to write to you about the role of the committee. As I said, this is a learning and developing experience, and I am sure that we would welcome comments from the committee on the process that is being developed.

Alasdair Allan: Specifically, would it help if the committee examined the progress of individual local authorities? Would that information be useful?

Ruth Parsons: There are mechanisms in place, including the annual report and public performance reporting, supported by the work of Audit Scotland and the best-value regime, to examine that progress. However, I am sure that, if you wanted to ask a particular local authority about its single outcome agreement, it would be happy to discuss that with you.

Rory Mair: At the moment, we are concentrating on achieving a set of single outcome agreements that can be seen to work and which meet both the needs of our relationship with Government and our need to report to our electorate. We would welcome anything that the committee can do to make that work easier. Of course we in local government will take into account the committee's comments on the development of single outcome agreements.

10:45

Alasdair Allan: Is it part of your remit to explain to the public how the new system of funding local government works, or how the new concordat works? There is some unwitting—and some quite wilful—political confusion about how the new system works, how the removal of ring fencing works and where the responsibility lies for various funding decisions. A public debate is going on at the local level around the country about who bears the responsibility for various decisions. Is it part of your remit to have an electorate or public that better understands how things now work?

Rory Mair: Very much so, because we need to explain the current system, why we have moved from the previous system to this one and why some things that might have looked like accountability might not have represented accountability quite as exactly as was suggested. We also have to explain why the new system of single outcome agreements enhances accountability, although it might be portrayed as not giving enough accountability.

We feel that we need to explain to our electorate that the new way is a better way of making local government and its partners accountable for the services that they deliver. The most important point is that, for the first time across 100 per cent of our budget, we will identify not what is going into services but what is coming out of them. I suspect that most of our electorate are less interested in how many swimmers per square metre of pool area we have, which is one of our current indicators, and more interested in the advantage that the community gets from the way in which its leisure facilities are run. That is what we are being asked to focus on by the new process, and we need to explain that better than we have done.

Gavin Whitefield: We have talked a lot about governance issues, accountability and the process, but the overall objective of the process is about supporting councils and community planning partnerships in their drive to improve service outcomes. That is the ultimate goal, and the single outcome agreement process is a means to an end. It is about streamlining existing systems and improving accountability, with the ultimate goal of improving service outcomes.

Colin MacLean: As well as explaining that new focus, a number of councils are looking at how they can generate what they would describe as a plain English version of the outcome agreement that they could use locally to make sure that electors know what the local government is committed to delivering.

The Convener: The politicians require some help as well.

Bob Doris and Alasdair Allan mentioned scrutiny and accountability. On 8 February, John Swinney, the cabinet secretary, responded to a question lodged by Johann Lamont on 17 December 2007 by saying:

"Parliamentary scrutiny will be an essential part of monitoring progress in relation to single outcome agreements. I will be writing to the Convenor of the Local Government and Communities Committee in due course outlining how I propose the process of reporting to the committee and to the Parliament be taken forward."—[*Official Report, Written Answers*, 8 February 2008; S3W-7919.]

Ruth Parsons: I will take that back and ask the cabinet secretary to respond.

The Convener: Those were his words, and I have not received a letter. It would be useful to find out what the processes are and how we can play a part in monitoring them.

Kenneth Gibson (Cunninghame North) (SNP): All single outcome agreements are to be agreed by the end of this month. Are there any bottlenecks or issues that must be resolved to ensure that that deadline is met, or is everything on track and going along steadily?

Ruth Parsons: We have 32 draft single outcome agreements and we are working towards 30 June, by when we fully expect all 32 agreements to be delivered.

The process is on-going and discussion between the Scottish Government directors, who have been supporting the process and are linked to individual local authorities, and local authorities will continue right through and beyond the process. Local government has welcomed the involvement of the Scottish Government directors. That new relationship between Scottish Government and local government will continue. We must develop and improve the process of agreeing single outcome agreements.

Rory Mair: We did not leave things to chance. We have regular monthly meetings of all 32 chief executives and all 32 council leaders, and the last meeting gave us no reason to believe that we would not be heading for 32 single outcome agreements being signed off by the appropriate date. We have another meeting next week in Aberdeen, at which we will get a final update, but from the information that we have we do not expect there to be any problems with the delivery of all 32 agreements.

Kenneth Gibson: Ruth Parsons said earlier that everyone “is now aligned” and looking for “harmonisation”. That is very Zen. We talked about data from health boards, local authorities and so on. How robust are the data and how comparable are they? Do any significant gaps need to be filled so that outcome agreements can be properly scrutinised?

Ruth Parsons: As has been said, by 2009 community planning partnerships will all be fully involved in agreeing each single outcome agreement, which will represent the strategic priorities for the community. The existing performance management frameworks underpin that process. Robust performance management systems are an integral part of the process and were mentioned in the concordat. They are in place across all public services and will provide, for the purposes of scrutiny, detailed information on how councils and other public bodies conduct their activity. The role of Audit Scotland and the high-level steering group is to continue to support the further improvement and development of performance management systems and, as we discussed, to ensure that there is better public reporting of the available information.

Rory Mair: The answer to Kenneth Gibson's question is that there are gaps. In the past the system was, to a great extent, based on measuring inputs. Now that we have moved to outcomes, it is difficult to create historical data sets that show where we were and how we have moved on, given that we did not previously have all the outcome data. For some of the indicators, this is the first year that we are collecting outcome data, so what do we compare those data to? Some gaps exist in our data collection and we will have to refocus our data collection resources away from input-based stuff and on to outcome stuff. We will have to plug those gaps over the coming year.

Gavin Whitefield: In the time available to us, we have made every endeavour to use the best available information to make the outcome agreements as robust as possible. As Rory Mair said, given the time available, and given that councils are starting from different positions—in respect of the information that had already been

collected and the links to a number of the national indicators that are applicable at the local level—we recognise that further work must be done to refine and constantly update the single outcome agreement process. It is important to ensure that there is continuity so that we can measure progress over time and so that we do not massively change the data sets from one year to the next. Such continuity would provide us with meaningful information. I think that the information that we now have is as robust as possible, but we recognise that it must be refined as we move forward.

We have discussed where we should start the whole process and whether we should take financial year 2006-07 as the baseline against which all the indicators would be measured. You will appreciate that the required information is not necessarily readily available for all indicators, so that has impacted on the targets moving forward. In some cases—I hope that it will be the exception rather than the rule—the target will be a year-on-year increase or a year-on-year reduction. Ideally, we will look for SMART—specific, measurable, achievable, relevant and time-limited—targets that are specific about percentage reductions. We will set quantifiable targets.

Kenneth Gibson: I am impressed by the language of the specific outcome agreement process: setting SMART targets; refining; streamlining; and making things manageable and meaningful. I hope that, ultimately, the process will be meaningful, particularly for the public.

Bob Doris mentioned the different approaches that local authorities such as Glasgow City Council and Perth and Kinross Council are taking to class sizes. Mr Whitefield spoke about relative priorities in local authorities. How much flexibility will local authorities have in terms of the arrangement?

Gavin Whitefield: The starting point is the new relationship—the concordat. It sets out clearly the Scottish Government's wish to concentrate on the major strategic issues at the national level and leave councils the maximum discretion and flexibility to operate at the local level. Councillors are operating within that framework to best align available resources to address local priorities. One purpose of the single outcome agreement is to demonstrate how it aligns with the national outcomes. We see the whole exercise operating within a new environment in which there is much greater flexibility and scope to align local resources to address local priorities.

Colin MacLean: Councils are looking at two different issues: the local priorities, which will vary across the country; and what kind of document will be most helpful to them. Councils were keen that the design of the document should not be completely detached from the design of the

documents that they use in their other planning processes. Some documents are therefore quite long, with lots of detail, because that made sense to those councils, whereas others are shorter in length, for the same reason.

At this stage, we have tried not to impose tight parameters—the documents are quite loose in terms of their content and the way in which they are expressed. There will be a collective discussion about what kind of document will be most helpful to the relationship between the Scottish Government and the local areas.

Kenneth Gibson: I understand that the City of Edinburgh Council's draft single outcome agreement runs to 62 closely typed pages. Clearly, as we heard earlier, if we want the public to be able to understand what is going on, some thought will have to be put into that.

David McLetchie (Edinburgh Pentlands) (Con): Good morning. Mr Gibson's reference to the closely-typed pages of City of Edinburgh Council's document is appropriate, given that I will pick up the points that Mr Doris raised on national commitments, outcomes, indicators and targets, and their relationship to local outcomes, indicators and targets. Clearly, the historic concordat has to be mentioned in that connection.

One of the joint commitments in the concordat is for the Scottish Government and local government to reduce

"class sizes in P1 to P3 to a maximum of 18".

That commitment was made on the part of the local authorities, as well as the Government. Is that correct?

Rory Mair: If you had the historic concordat in front of you, you would find that the full statement is that we will move

"as quickly as is possible"

towards reducing class sizes to 18. That is what we signed up to. As far as I am concerned, there is no room for manoeuvre on that commitment on behalf of local government. That is what we signed up to, and that is what we will deliver.

David McLetchie: Good.

That brings me neatly to the City of Edinburgh Council draft single outcome agreement. From what Mr Doris said, unlike Glasgow City Council, the City of Edinburgh Council helpfully is trying to do its best by referring to that joint commitment in its draft agreement, which I assume is under consideration.

The policy commitment at national level that councils and the Government have made is for a maximum class size of 18 in primary 1 to primary

3

"as quickly as is possible".

However, on page 27 of the 62 closely-typed pages that the City of Edinburgh Council has produced, the local outcome is:

"Make progress towards reducing average class sizes to 18".

In the process of refining and negotiating the agreements, surely the City of Edinburgh Council will be told that that statement is not aligned with the national commitment and that it should adjust its local outcome to say that it will make progress towards reducing class sizes in P1 to P3 to a maximum of 18. Is that not the case?

Ruth Parsons: As we have said, in terms of the single outcome agreement process, we are focusing on the contributions towards the national outcomes. The commitments that are set out in the concordat—the wording of which has just been put before the committee—will be delivered through a separate monitoring and reporting process that COSLA will undertake and report to us, as per the understanding in the concordat.

In addition, we do not want to comment on single outcome agreements from individual councils at the moment, because the process is still under way and the councils have not yet delivered signed-off single outcome agreements to the Scottish Government.

11:00

David McLetchie: Yes, but how can 32 councils fulfil a national commitment that they have made unless they focus their own local outcomes on achieving the national result? The City of Edinburgh Council has a local outcome that is focused on an average class size policy, not a maximum class size policy, which is already out of alignment with the national commitment before we have even started.

Colin MacLean: On class sizes, the concordat specifically recognises that circumstances will vary across councils, that councils will take different approaches to class size reduction and that the pace of reduction may be different in different councils.

David McLetchie: Yes. It is a pity that one of the people who made the commitment did not recognise that when they made it, but we will move on.

The City of Edinburgh Council's single outcome agreement gives as a local indicator for the council's revised policy of an average class size of 18 the

"Number ... of positive action schools with a P1 class size of 20 or less".

Of course, positive action schools represent only about a quarter of the total number of primary schools in the council area, so that indicator is not at all aligned with the national commitment, which applies to all primary schools, not only those that happen to be classified as positive action schools. The agreement also refers to

“a P1 class size of 20 or less”,

whereas the national commitment refers to primaries 1 to 3. That indicator is out of alignment with the commitment, is it not?

Rory Mair: We are in danger of confusing two separate things.

David McLetchie: I do not think so.

Rory Mair: I think we are, and I will explain why—I may be wrong. The concordat has two sets of things in it. One is a set of specific negotiated agreements between the Government and local government on things that were in the Government’s manifesto, none of which is specifically mentioned in the outcome agreements. For instance, freezing council tax is not in the single outcome agreements, nor is a commitment from the Government about joint policy development. The response to the Crerar report, which is part of the historic concordat, is also not in the outcome agreements. It is simply not fair to say that everything that is in the concordat should be in the outcome agreements. In the outcome agreements, we did not sign up to class sizes of anything, because that is not an outcome; we signed up to the outcome:

“Our children have the best start in life and are ready to succeed.”

Every council will have a section in its outcome agreement about how it uses its resources to achieve that.

Separate from that—you are quite right, and what I said before remains the case—local government has agreed the exact wording on class sizes in the concordat, which is that, across local government, there will be movement as quickly as possible towards class sizes of 18, and the City of Edinburgh Council’s contribution to that will be the one that it has stated. That is what local government has signed up to, so it is not fair to say that every council has signed up to achieving class sizes of 18 in any particular timescale, because we were not asked to do that in the concordat. As you have it in front of you, you will see that that is not how it is worded.

David McLetchie: I agree entirely, but I am saying that the actions that the councils are taking are out of alignment with the national commitment. Mr Doris just pointed out that Glasgow City Council’s agreement does not have anything about it.

Gavin Whitefield: We do not have page 27 of the Edinburgh agreement in front of us. It may—I am sure that it does—refer to the indicator that Mr McLetchie has outlined, but I would be surprised if it relates back to an outcome that is aligned with the manifesto commitment to reduce class sizes. It is more than likely aligned with one that is linked to improving educational attainment or the—

David McLetchie: Oh yes, it is linked back to the motherhood-and-apple-pie objectives statement.

Gavin Whitefield: Sorry, can I finish my response? It will be linked back to a specific local outcome that the City of Edinburgh Council has developed, not to the commitment, which, as Rory Mair has already outlined, is subject to a separate monitoring system and to discussions between cabinet secretaries and COSLA that are not necessarily included in each of the single outcome agreements.

David McLetchie: Many people will find it bizarre that there can be a series of local outcomes and local outcome agreements and plans that are not aligned with commitments that have been given by the Government and local councils. People seem to be going off in completely the wrong direction. If things are meant to be aligned—to use Mr Gibson’s Zen word—they should be. Things should not go off in parallel directions, and one set of indicators and outcomes should not be at variance with a national commitment that you have made. That does not make sense.

Ruth Parsons: I refer back to my opening statement. We are talking about a significant culture change. We are moving all of Scotland’s public services away from a performance management regime that was based on inputs and outputs at best. Public service organisations are now considering how to contribute towards achieving real outcomes that will make a difference to people in Scotland. That is a massive culture change, and it is clear that we will have to carry out transitional work in certain areas to develop that change.

It is not unexpected that any new Government would have a set of short-term commitments to the public that it wanted to deliver—all parties would probably have such commitments. The commitments that we are talking about are such commitments, and the commitments that have been agreed as part of the concordat will be reported on by local government, as set out in the concordat. It is not terribly complex. We must recognise that the shift to outcome agreements is significant, and also that a process in which there is alignment—to use the Zen word—and in which everybody faces the same way, works collaboratively towards achieving shared aims and

pulls in the same direction has a compelling logic if we want to deliver better performance for people.

David McLetchie: I highly recommend to you the City of Edinburgh Council's single outcome agreement. What it says about commitments on both sides is illuminating. It states:

"there is no legislation that allows the Council to restrict class size to 18, therefore, the opportunity for continuous progression toward the national outcome is constrained."

It goes on to say:

"Clarification of Scottish Government on their timeline is required, along with supporting legislation to restrict class sizes to 18 in order to allow authorities to progress towards meeting the national outcome over time."

Is it generally accepted by local authorities that the City of Edinburgh Council's analysis is right and that legislation will have to be passed to achieve that national outcome? Perhaps Mr Mair and Mr Whitefield could answer that question.

Gavin Whitefield: The City of Edinburgh Council's approach will have been consistent with that of other councils. It has already been mentioned that, within agreements, there is a section for offers against each national outcome, which councils can bring to the table to deliver on their local outcomes in support of the national outcomes. There are also asks, which relate to issues that the Scottish Government in particular can consider and which would support councils in delivering on their local outcomes.

Dialogue is expected to continue beyond 30 June to resolve any issues. Some issues will be fairly easily resolved and some will require further consideration and joint work—perhaps joint policy development involving COSLA and the Scottish Government. The types of asks that are included in the single outcome agreements will vary widely, and they will be the subject of further dialogue involving individual councils, community planning partnerships and the Scottish Government.

David McLetchie: The City of Edinburgh Council says:

"Clarification of Scottish Government on their timeline is required, along with supporting legislation to restrict class sizes to 18".

I presume that that is an ask, to use your nomenclature. Is that correct?

Gavin Whitefield: I cannot absolutely confirm that, as I do not have the document in front of me. However, from what you have said, I presume that that is the context within which that statement was made.

David McLetchie: I quoted from a section headed "Scottish Government required action/commitment to support delivery of a local outcome". I presume that that is an ask in the template.

Gavin Whitefield: I can confirm that.

David McLetchie: Mr Mair, does COSLA think that the Government must introduce legislation to restrict class sizes to 18?

Rory Mair: There have been many discussions about what local government will need to meet our concordat commitment—I acknowledge that that is not quite the wording that you used—but so far there has been no consensus in COSLA that we need legislation. As of now, there is no consensus that a lack of legislation might make it difficult for us to reach class sizes of any number. We have not had that general debate in COSLA.

David McLetchie: I presume that that debate will be held quickly. Given that it takes a year or so to pass a bill in the Parliament and that the Government will announce its legislative programme in September, I presume that, if legislation is required and if any progress is to be made towards achieving the commitment in the short term of three years that remains to the present regime, a decision will have to be made quickly. There would be no chance of passing the legislation otherwise. Is that correct?

Rory Mair: Neither Gavin Whitefield nor I have seen the outcome agreement in question, so I cannot comment on whether legislation is required or accept that it is.

David McLetchie: You just said that you were discussing it in COSLA.

Rory Mair: No, I said that we have discussed a range of important issues. All of the asks—to use Gavin Whitefield's nomenclature—in the outcome agreements will be examined, and we will address as priorities the asks that are common across local authorities and those that we feel we need to address to allow all local authorities to meet the agreements. We will then go straight back to our partners in the Government with a list of requests. That work is starting to happen. As soon as the outcome agreements are signed off, we will have a clear understanding of all the asks. We will then be able to see which are common across all 32 outcome agreements and which should be our priorities.

David McLetchie: If the City of Edinburgh Council is correct and legislation is required, do you agree with my analysis that we had better get on with it, given the time that it takes to enact legislation? This session has less than three years left.

Colin MacLean: On a number of issues, such as class sizes, councils are identifying that there may be barriers to delivering their local outcomes and commitments. As Rory Mair said, we need to discuss with them whether there are barriers and, if so, work out how to overcome them. If legislation

is one solution, it will need to be taken through the parliamentary processes. However, as Rory Mair said, we do not have a view on that. The issue has not yet been considered and resolved.

David McLetchie: But if the view is that legislation is necessary, we might not pass any law for another couple of years, given the timescales. At that point, this session of Parliament will be virtually over.

Colin MacLean: I can give you another example. We identified the need for legislation to achieve the commitment on school meals, and the concordat explicitly details that the Government will deliver that. The current process will flush out whether the Government needs to take particular action on anything else. If so, the Government will need to take that action as part of the discussion with local government.

David McLetchie: I have one final question about the data on the commitment to a maximum class size. Are data available on the total number of primary 1 to 3 classes in Scotland and the total number that have a class roll of 18 or fewer at the audit date or the start of the coming school year?

Colin MacLean: A school census will be carried out in the first week of September. I do not know exactly what information will be collected this year, but historically we have been able to collect such information.

David McLetchie: Given the importance of the national commitment and the desire to report on it separately, is it fair to assume that, shortly after the census is conducted in September, we will be advised how many primary 1 to 3 classes there are and how many meet the target?

Colin MacLean: We know from previous discussions in Parliament that there are lots of interpretations of what a class is. We need to be sure that the definitions are absolutely clear and understood by everybody involved in the process.

David McLetchie: It would be fair to use Audit Scotland's definition.

Colin MacLean: Information collected in September will inform that discussion.

The Convener: I can understand the reluctance to discuss individual outcome agreements, but are there on-going discussions with the councils in Glasgow and Edinburgh about class sizes? Are the outcome agreement documents in final or draft form? Between now and the end of the month, will discussions take place to change the minds of the councils in Glasgow or Edinburgh?

Ruth Parsons: The single outcome agreement discussions that are on-going with the local authorities in Glasgow and Edinburgh relate to their contributions to the 15 national outcomes.

That is the focus of the discussions between the directors who are part of that process and the authorities. I cannot say whether other discussions are going on.

11:15

Johann Lamont: Can we be absolutely clear? You say that the single outcome agreements do not cover everything and that the commitments on class sizes are separate. That means that it is legitimate for Glasgow City Council to negotiate with the Government on the consequences of meeting the Government's desire to have classes of 18. The class size commitments are not predicated on anything in the single outcome agreements and do not affect them; they are separate. The council's argument might relate to resources or best value, and the Government's concern would be the importance of achieving the reduction. Am I right to say that that is separate from the single outcome agreements?

Ruth Parsons: The class size commitments are separate from the single outcome agreements, but the concordat is a package. It represents an agreement between the Scottish Government and local government to deliver on all parts of the concordat, including the commitments and single outcome agreements.

Johann Lamont: I thought that I was clarifying things, but I am not—class sizes are an example of that.

What discussions have you had with equality groups and the Equality and Human Rights Commission on the development of single outcome agreements and the guidance to local authorities?

Ruth Parsons: Every public organisation has a duty to work within the equalities legislation. That applies as much to local government as it does to us.

Johann Lamont: Have you given any guidance on that?

Ruth Parsons: The guidance on single outcome agreements included the expectation that equalities—as well as best value and all the statutory responsibilities—would be part of their development.

Johann Lamont: Have you explained to or discussed with local authorities the importance of equality impact assessments?

Ruth Parsons: The matter is for local government. Local authorities have a statutory responsibility to consider equality impact assessments. Our information is that they are doing that as part of the process.

Johann Lamont: I understand from the Cabinet Secretary for Finance and Sustainable Growth that he would be willing to sign off single outcome agreements with no evidence—written or otherwise—that equality impact assessments had been undertaken.

Ruth Parsons: The cabinet secretary's answer recognised that the process is developing. That in no way detracts from public bodies' statutory responsibility to undertake equality impact assessments. Perhaps Gavin Whitefield can describe how that is proceeding in his local authority.

Johann Lamont: If local authorities have a statutory responsibility, is not the guidance or the Government obliged to make it clear that they are expected to do such assessments?

Ruth Parsons: We referred in the guidance to the statutory responsibilities.

Johann Lamont: So it is reasonable to expect the Government not to sign off single outcome agreements unless it has evidence that equality impact assessments have been done.

Ruth Parsons: We expect equality impact assessments to be done.

Johann Lamont: You are responsible for signing off single outcome agreements, so you will not sign them off if equality impact assessments have not been done.

Ruth Parsons: As we have said, that is part of a developing process. We have no concern that the commitment to undertake the statutory duty will not be met.

Colin MacLean: A more general point is that the task of checking that a local authority had adhered to every statutory obligation would be enormous. We would never be able to sign off agreements if we went through such a process for every obligation on local government. The general guidance makes it clear that it is up to local authorities to ensure that they meet their legal obligations.

Johann Lamont: The Government has its own statutory responsibilities. Would a problem exist if the Government signed off a document without checking or obtaining assurance—perhaps by having an indicator such as a tick box—that an equality impact assessment had been done? Are you saying that the responsibility is only local government's and is not yours?

Gavin Whitefield: We need to recognise that, by and large, the local outcomes, targets and indicators derive from existing corporate and community plans, which councils and community planning partnerships develop. They are very much aware of the equality impact issues and of

the need to comply with all legislative and regulatory requirements. Those plans are consistent with those requirements, so the flow-through from those documents to single outcome agreements should provide assurance that equality issues have been dealt with appropriately.

Johann Lamont: But presumably the whole point of the equality duties was to move from the presumption that that was the case. Most local authorities have a record of commitment to equalities, so the question is the issue of certainty during this period of change, and it is reasonable to expect that there should be certainty. I will give you an example on class sizes. An equality impact assessment on the impact of reducing class sizes in primary 1 to primary 3 could show that the consequence in a particular local authority was that money would have to be diverted from communities in poor areas to better-off communities because class sizes there were generally larger because the schools were popular. Further, if there was diversion of moneys to reduce class sizes during the transition period from primary 7 to secondary 1, when young boys in particular are vulnerable and drop out altogether in deprived communities, an equality impact assessment might show that, in relation to equalities responsibilities, it would be inappropriate to direct funds to reducing classes to 18 for primary 1 to 3. That is why the equality impact assessment is important.

I assume that the Government must have examined this, but, if an equality impact assessment was done at a local level on the class size reduction policy and it established that there would be the kind of consequences that I have described, it would be entirely reasonable for that local authority to say that it would not pursue the target because it conflicted with its commitment to accessibility to education across needs groups in the area.

Gavin Whitefield: We have already indicated that the class size reduction policy is not included in the single outcome agreements; it is included in the concordat, within which there is a separate monitoring and reporting system. Where councils have referred to a reduction in class sizes, they will have done so either as part of the offer-and-ask process in the single outcome agreements, which is part of the continuing debate about this important issue, or where they have set an indicator. I assume that that would be linked back to a wider outcome, not a specific outcome on reducing class sizes. Again, it is important to acknowledge that class size reduction is a concordat commitment, which is the subject of separate monitoring and evaluation, and, indeed, separate discussion.

Johann Lamont: But is the separate commitment itself subject to an equality impact assessment?

Ruth Parsons: Policy is subject to equality impact assessment, so all the different policies in the Scottish Government are subject to such assessment, as are those in local government. We would be happy to provide further details about that in writing.

Johann Lamont: So I presume that an equality impact assessment has been done at Scottish Government level. However, the experience at local level might be different, and there might be consequences from that.

Has legal advice been taken at Government level on whether legislation is required to reduce class sizes to 18? I can give you an example from my own area of people making placing requests to send their children to a particular primary school because of child care issues. If class sizes are reduced to 18, they will be denied a place, even though there is a teacher and a classroom.

Ruth Parsons: The focus of this committee hearing is actually on the single outcome agreement process. If you would like us to provide written answers—

Johann Lamont: I simply asked whether you have asked for legal advice on whether legislation is required.

Colin MacLean: I am conscious that the Education, Lifelong Learning and Culture Committee is taking evidence this week and next on class size issues, and it is a more appropriate place for these questions to be asked, because they are not specifically to do with single outcome agreements.

Johann Lamont: With respect, I am just interested to know whether you took legal advice on whether legislation is required.

Ruth Parsons: I do not know, but if you would like us to provide written evidence on that, we will do so.

The Convener: So you are not in a position to say yes or no here.

Ruth Parsons: Correct, I am not in a position to do that.

The Convener: Fine. We will await further information.

Johann Lamont: The issue is consequences. For example, the Scottish Government has expressed a commitment on the homelessness target, as has COSLA, and we took evidence on that last week. If an individual local authority considers the issue and decides not to put it in the single outcome agreement, but it has been

assessed by the housing regulator as having poor-quality homelessness services, what powers will be available to address that situation? You will know, of course, that the Minister for Communities and Sport has said that there are circumstances in which ring fencing could be reapplied. Is that an option? Is it one that COSLA acknowledges?

Colin MacLean: We are having discussions just now with councils and CPPs around what is in the draft agreements. If something that we expect to find in an agreement is missing, we will have a conversation with the council. It might be missing for a variety of reasons: for example, the council is already doing it, but it is not explicitly in the agreement, or it is covered in a different way in the agreement and can be brought out more explicitly.

There might be areas in which a council is clear that local priorities are such that a different issue needs to be flagged in the agreement. If homelessness or domestic abuse, for example, is a significant issue in that authority, we expect to find it in the agreement. We know that councils are comfortable with that.

Johann Lamont: Some local authorities have already indicated that there are concerns about whether the homelessness target, for example, is reachable. Ultimately, if a council feels that there is insufficient resource to do something, and it does not put it in the agreement, the concordat system—or the single outcome agreement system—cannot make it go in. Is that right?

Colin MacLean: It is a basis for discussion. The council says, “This is a priority for us. We want to achieve certain outcomes, but there are barriers. We need to discuss with Government and other public agencies what we can do collectively to overcome those barriers so we can achieve that outcome.” It gives us a basis for the kind of conversation that we have not had before.

Bob Doris: I have two very short questions. Without going into details on class size commitments—because, as you have said, that is more for the Education, Lifelong Learning and Culture Committee, or perhaps for the full chamber—can you reconfirm that the commitment to cut class sizes is a joint commitment between local authorities and the Scottish Government?

Ruth Parsons: The class size commitment is set out in the concordat and is a jointly agreed package on behalf of the Scottish Government and local government.

Bob Doris: Johann Lamont raised issues about equality impact assessments and deprived areas. I am tempted to raise with you the 26 primary schools in the most deprived areas in Glasgow on which we could take action now to reduce class sizes to 18, but I will not do that now; I will leave it for the full chamber discussion later this week.

The Convener: We are pleased about that, Bob.

David McLetchie: I have a couple of questions on my favourite subject of commitments and outcomes. Page 7 of the historic concordat says:

"In return, local government will contribute directly to the delivery of the key commitments listed"

—presumably, that includes the class size commitment—

"including the freeze on council tax, as well as meeting ongoing pressures within the total amounts provided."

That means, I think, within the context of the figures that were announced as the local government finance settlement by the Cabinet Secretary for Finance and Sustainable Growth. Is that an accurate statement of the position?

Rory Mair: Yes.

David McLetchie: The 62 pages of the City of Edinburgh Council single outcome agreement repay careful study, which I strongly recommend. It says:

"Class size 18—additional funding for both accommodation (estimated at £16m) and teachers (estimated at 205 full time equivalent at a cost of £7.45m) is required to address the financial implications of meeting"

what it says is a

"national outcome".

I think we can assume that that is a typing error and that it should read "national commitment".

It goes on to say:

"It should not be assumed that this target can be achieved within the existing budget settlement."

Are most local authorities making that assumption?

Rory Mair: The difficulty with this discussion is that we have not signed up in the concordat to reducing class sizes to 18 in primary 1, 2 and 3 now. We said that we will move as quickly as possible towards that commitment. Some councils have the resources to make progress now, and some do not. I see no dichotomy. That last sentence is there because we have said in the document that we can only make the progress that we can within the sums of money that are available to us.

David McLetchie: Is there any prospect whatsoever of all class sizes in primary 1, 2 and 3 in Scotland being reduced to a maximum of 18 by April 2011?

Rory Mair: I do not know the answer to that.

11:30

David McLetchie: So, you are saying that there is the prospect that that could be achieved.

Rory Mair: I am saying that I do not know the answer to your question. We have asked all councils to tell us what progress they believe they can make. We will monitor that for the first time when we get information in the new school year. I cannot predict the answer to your question at the moment. You are asking me to guess and I do not think that I should guess.

David McLetchie: The City of Edinburgh Council has refined the whole thing to refer only to positive action schools, primary 1, and averages, rather than maxima. Even though the council has refined the scope of the single outcome agreement—it has limited its horizon, so that the aspiration is well short of the terms of the national commitment—it still says that it needs £16 million for buildings and £7.45 million for additional teachers and that it cannot be assumed that it can achieve even that limited aspiration within the existing budget settlement. That suggests to me that there is hardly any chance of the policy being achieved in Edinburgh by April 2011.

Rory Mair: That is your interpretation.

David McLetchie: It is a reasonable interpretation, is it not?

Rory Mair: I am not double-guessing it. We said in the concordat that local government will be expected to show year-on-year progress towards delivery of the class size reduction policy. We will deliver on that. There will be more class sizes of 18 in primary 1, 2 and 3 next year than there were this year. That is what we said we would deliver and that is what we will deliver.

David McLetchie: Right, so snail-like progress will fulfil the obligation. Is that your assumption? As far as you are concerned, as long as you make any minuscule degree of progress, even at a snail-like rate, you are meeting your commitment. Is that correct?

Rory Mair: We will make progress as quickly as possible.

David McLetchie: Any degree of progress will fulfil the obligation.

Rory Mair: We will have to discuss with the Government whether progress is being made as quickly as possible. We will have to test what is reasonable.

David McLetchie: "As quickly as possible" could mean "very slowly".

The Convener: Given what councils have said in some of the draft single outcome agreements that have been posted—they have yet to be finalised—we can expect different councils to take a different approach and to proceed at a different pace. Different councils have different challenges, depending on their size and so on. We know that

the present financial allocations to councils are determined by grant-aided expenditure and are driven by population trends. There has been a shift to outcomes. What do we need to do to change the mechanism of allocation to local authorities, so that we get to an outcomes-based situation?

Ruth Parsons: We recognise that there has been a significant shift. The Government is committed to reviewing the distribution methodology. We are in discussions with COSLA and local government about the remit for that review.

The Convener: What support is there among council leaders for changing the current distribution mechanism?

Gavin Whitefield: The die is cast in respect of the three-year financial settlement figures that were announced last December. That is the envelope within which councils and community planning partnerships will develop single outcome agreements. The challenge and opportunity that we have is to demonstrate how we can maximise the outcomes using that resource. The single outcome agreement gives us the opportunity to demonstrate the progress that will be made over the three years. There will be on-going discussion between COSLA and the Scottish Government about distribution and the level of resources in the lead-up to the next spending review. Councils are clear about the level of resources that we have. Within that framework, we are developing the single outcome agreements and we are using the resources to best address local priorities and align them with the national outcomes.

The Convener: We all understand that the die has been cast in respect of the three-year settlement. However, we also heard you say that the work on the single outcome agreements was a work in progress and that there was a radical culture change. Are you going to wait until the end of the three-year process before you make a start?

Rory Mair: We do not think that we should wait until the end of the three-year process to make a start. We are saying that we need the three years, in respect of which the die has been cast, to work out the exact implications of the outcome-based approach and what we will take into the next spending review. We have started discussions about how we set a remit for that, what issues we need to examine and how things will work.

In answer to your first question, I suspect that council leaders are about as concerned about a change to the distribution system as they are about keeping the one that we have got. There is discontent about the system that we have, and there will be discontent about any new one that we move to. We accept that, alongside a movement

that reflects the change to outcomes, we also need stability for communities. No distribution mechanism can have such big movements that services that could be afforded in one year become unaffordable by a huge amount in the following year. We will have to be very careful about that, but council leaders have said that we will engage in a discussion with the Government about the distribution mechanism.

The Convener: Will that not be forced upon us when all 32 outcome agreements come out, if there are any similarities with the Edinburgh situation? The various financial challenges that the councils will face in meeting any of the ambitions and commitments will be flagged up on 30 June. Will it not be obvious by 30 June if any areas have specific problems and will be unable to make significant or real progress towards achieving the outcomes under the current financial constraints?

Gavin Whitefield: There are two work streams, one of which is the on-going refinement of and improvements to the single outcome agreements over the three-year period; the second is about the review of resources distribution that will be available for local government beyond that three-year period. Any cost pressures that are flagged up through the debate around single outcome agreements will inform the dialogue that will take place between COSLA and the Scottish Government.

The Convener: Is the current mechanism fit for purpose, given the move to single outcome agreements?

Rory Mair: We think that it will change.

The Convener: Is it fit for purpose?

Rory Mair: The three-year settlement was agreed before we even started on the outcome agreement process. That is the money we have got, and we are concentrating on the £11.3 billion that local government is spending and how it is being spent in accordance with the outcomes to which we have signed up.

The Convener: We have issues—Inverclyde is a pet issue of mine. The population is in decline, and as a result the area has a disproportionate number of elderly people. We believe that we do not get our fair share to enable us to meet their needs, whereas other local authorities that do not spend as much on care for the elderly get more money to meet their needs in proportion to the overall population. That is happening every day, and we have been aware of it for a very long time.

Gavin Whitefield: I understand that a lot of the work that went into considering distribution issues over a prolonged period of time was analysis of the best distribution model. However, when that flowed through to councils, the impact of that

analysis was felt at the margins. That makes us ask whether all the work that went into that analysis was justified by the outcome. We are aware of that factor in the existing system. However, we are where we are with the resources that we have, and we will operate within that framework to best deliver on local priorities and align them with the national outcomes through the single outcome agreements.

The Convener: Thank you very much for your time. The session has been useful and we look forward to speaking to you again.

11:38

Meeting continued in private until 11:54.

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