



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

Wednesday 9 February 2011

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LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE
5th Meeting 2011, Session 3

CONVENER

*Duncan McNeil (Greenock and Inverclyde) (Lab)

DEPUTY CONVENER

*Bob Doris (Glasgow) (SNP)

COMMITTEE MEMBERS

*Patricia Ferguson (Glasgow Maryhill) (Lab)

*Alex Johnstone (North East Scotland) (Con)

*Alasdair Morgan (South of Scotland) (SNP)

*Mary Mulligan (Linlithgow) (Lab)

*Jim Tolson (Dunfermline West) (LD)

*John Wilson (Central Scotland) (SNP)

COMMITTEE SUBSTITUTES

Brian Adam (Aberdeen North) (SNP)

Malcolm Chisholm (Edinburgh North and Leith) (Lab)

Alison McInnes (North East Scotland) (LD)

David McLetchie (Edinburgh Pentlands) (Con)

*attended

THE FOLLOWING GAVE EVIDENCE:

Dr Campbell Christie (Commission on the Future Delivery of Public Services)

Fiona Hyslop (Minister for Culture and External Affairs)

Alex Linkston CBE (Commission on the Future Delivery of Public Services)

Kaliani Lyle (Commission on the Future Delivery of Public Services)

Eddie Reilly (Commission on the Future Delivery of Public Services)

Councillor Pat Watters CBE (Commission on the Future Delivery of Public Services)

Dr Ruth Wishart (Commission on the Future Delivery of Public Services)

CLERK TO THE COMMITTEE

Susan Duffy

LOCATION

Committee Room 4

Scottish Parliament

Local Government and Communities Committee

Wednesday 9 February 2011

[The Convener *opened the meeting at 09:45*]

Subordinate Legislation

Public Appointments and Public Bodies etc (Scotland) Act 2003 (Amendment of Specified Authorities) (No 2) Order 2011 (Draft)

Scottish Public Services Ombudsman Act 2002 Amendment Order 2011 (Draft)

The Convener (Duncan McNeil): Good morning. Welcome to the fifth meeting in 2011 of the Local Government and Communities Committee. As I usually do at this time, I ask members to turn off all mobile phones and BlackBerrys.

Agenda items 1 and 2 are to take evidence on two draft affirmative Scottish statutory instruments. I welcome the first panel of witnesses. Fiona Hyslop MSP, the Minister for Culture and External Affairs, is joined by Sandy Robinson, principal architect; Jim Mitchell, senior architect; and Emma Thomson, principal legal officer, in the Scottish Government. I offer the minister an opportunity to make some opening remarks.

The Minister for Culture and External Affairs (Fiona Hyslop): I present to the committee two draft Scottish statutory instruments. The first is the Public Appointments and Public Bodies etc (Scotland) Act 2003 (Amendment of Specified Authorities) (No 2) Order 2011—I said that without taking a breath. The purpose of the order is to amend the Public Appointments and Public Bodies etc (Scotland) Act 2003 to list Architecture and Design Scotland in schedule 2 under the heading “Executive bodies” rather than “Advisory bodies”.

The order has been laid following the recommendations of a policy and financial management review of Architecture and Design Scotland that was carried out in 2009. The review recommended that the body be reclassified, on the basis that its structure and responsibilities are more akin to those of a small executive non-departmental public body than to those of an advisory NDPB. A number of public and private bodies were consulted on the purpose of the order, as part of the policy and financial management review. All other necessary

provisions have been made for the reclassification of the body. The order is the only remaining action that is required to position the body correctly in the 2003 act.

The second instrument is the Scottish Public Services Ombudsman Act 2002 Amendment Order 2011. The purpose of the order is to amend the 2002 act to add Architecture and Design Scotland to the list of specified bodies in schedule 2 that are liable to investigation by the Scottish Public Services Ombudsman. This order, too, follows the recommendations of the policy and financial management review that was carried out in 2009.

The order will make Architecture and Design Scotland a body that is liable to investigation under the 2002 act. Since it was established in 2005, Architecture and Design Scotland has complied voluntarily with the act. The body requires to implement no additional financial or operational measures in order to comply with the act.

The 2002 act requires the draft order to be submitted to the Privy Council for approval before it can come into force. If the committee is content to recommend that the order be approved, it will be submitted to the Privy Council at its meeting of 16 March 2011. The order will come into force the day after it is made.

John Wilson (Central Scotland) (SNP): I seek clarification of the status of Architecture and Design Scotland. Do the orders make the body a quango? What was its previous status?

Fiona Hyslop: Architecture and Design Scotland is changing status from an advisory quango—to use your term—to an executive body. Its responsibilities are not limited to providing advice; they are more extensive than that. Indeed, since the review made its recommendations, the body has taken on more responsibility in relation to staff who previously worked at the Lighthouse, so it is now also an implementation body. Its level of responsibility and budget are such that it needs to have a tighter relationship than that which goes with being simply an advisory body.

Jim Tolson (Dunfermline West) (LD): Will the proposed change give Architecture and Design Scotland any further powers? You have touched on two budgetary issues. Will the Public Appointments and Public Bodies etc (Scotland) Act 2003 (Amendment of Specified Authorities) (No 2) Order 2011 give the body any greater budgetary responsibilities, as well as powers?

Fiona Hyslop: No, the change of status will not give it a greater budget or more powers; that happened subsequent to the proposal for it to become an executive body. It currently employs 26 permanent staff and it has annual funding from

the Scottish Government of £2.29 million—that figure is for 2010-11.

With regard to Architecture and Design Scotland's responsibilities, the review was a standard review of a public body, with which your committee will be familiar. The recommendation was made and the body moved from being an advisory body to being an executive body.

Jim Tolson: I understand your making that move and I appreciate that aspect of your clarification, but I would like you to expand on the matter more generally. I am not terribly familiar with Architecture and Design Scotland—excuse me for not having detailed knowledge about it—so can you clarify its remit? What changes will the orders make to its remit?

Fiona Hyslop: The body was previously the Royal Fine Art Commission for Scotland, and its responsibilities moved. Much of what Architecture and Design Scotland does is to drive forward proposals that have been set out. It has a sustainable programme, under which it works with clients and professionals to give them an understanding about sustainable approaches to design and the built environment.

The body had an important role in the housing expo, and what was learned from that event has been disseminated. In design review, it has provided appraisals and advice to local authorities and industry on practical development proposals. The designing places and designing streets initiatives are gaining ground and influence with local authorities, and Architecture and Design Scotland is involved in those. It has an increasing role in relation to urbanism and engaging with different people with regard to good place making.

Through the contribution that it makes, Architecture and Design Scotland has key links with a number of bodies. I have an indication of the Lighthouse Trust responsibilities that have been transferred with regard to place making. Architecture and Design Scotland's corporate plan—its detailed business plan—for 2010-11 has been established.

I hope that you will support the orders that are before us. If you wish more general information about Architecture and Design Scotland, we can provide it, but I do not think that that prevents us from fulfilling the statutory responsibilities of ensuring that the body is in good order with respect to the Scottish Public Services Ombudsman and other matters. The purpose of today's discussion is to deal with the two draft statutory instruments.

Jim Tolson: Thank you for that clarification, minister.

Patricia Ferguson (Glasgow Maryhill) (Lab): How have the additional responsibilities that Architecture and Design Scotland has taken on regarding the Lighthouse Trust affected the decision that has been taken?

Fiona Hyslop: That did not affect the decision, as the formal review recommended the change previously.

Patricia Ferguson: I had misunderstood the minister's earlier comments.

Fiona Hyslop: The development happened subsequently.

Patricia Ferguson: I had misunderstood your rationale for the change. I thought that the fact that the Lighthouse Trust was more firmly in the ambit of Architecture and Design Scotland had influenced the decision.

Fiona Hyslop: No. As I said in my opening remarks, the orders were laid following the recommendations of the policy and financial management review of Architecture and Design Scotland, which was carried out in 2009.

Patricia Ferguson: Can you explain what sort of scenario the Government thinks might arise that would require Architecture and Design Scotland to come under the auspices of the ombudsman?

Fiona Hyslop: On the basis that there are public appointments for membership of the board, it is standard procedure, and I think that there is general cross-party support for any public body to be subject to the ombudsman regarding appointments and so on, and also regarding investigation. Architecture and Design Scotland is a public body, with a budget of more than £2 million, so it is important that it is subject to the same scrutiny that applies to other public bodies that receive public moneys.

Patricia Ferguson: I suppose that what I am really asking is who would make a reference to the ombudsman in connection with the work of Architecture and Design Scotland?

Fiona Hyslop: As with any other public body, Architecture and Design Scotland comes under the ambit of the 2002 act, and so references can be made to the ombudsman about issues or concerns that people have about how it has or has not provided a service. Architecture and Design Scotland's work involves members of the public, local authorities and private bodies, particularly in relation to place making. It provides a service; therefore, as with any other public body, if people have concerns about that, they can raise them with the ombudsman.

Patricia Ferguson: I am still struggling to think of scenarios in which that might occur, but I am

happy to take the minister's word for it on this occasion.

The Convener: Alex Johnstone has withdrawn his question on the basis that it was covered by the minister's response.

As there are no further questions, we proceed to consideration of motions S3M-7865 and S3M-7866.

Motions moved,

That the Local Government and Communities Committee recommends that the Public Appointments and Public Bodies etc. (Scotland) Act 2003 (Amendment of Specified Authorities) (No.2) Order 2011 be approved.

That the Local Government and Communities Committee recommends that the Scottish Public Services Ombudsman Act 2002 Amendment Order 2011 be approved.—[*Fiona Hyslop.*]

Motions agreed to.

The Convener: I thank the minister and her officials for attending.

09:56

Meeting suspended.

10:02

On resuming—

Commission on the Future Delivery of Public Services

The Convener: The next item is evidence from members of the commission on the future delivery of public services, which the Scottish Government has established. We have invited commission members to give evidence because the delivery of public services has been a recurring theme in our work and we have considered such issues as part of our budget scrutiny.

I welcome the panel, which comprises Dr Campbell Christie, the commission's chair, and commission members Alex Linkston, Kaliani—I hope that I have pronounced that right or nearly right—Lyle, Eddie Reilly, Councillor Pat Watters and Dr Ruth Wishart.

I ask Campbell Christie to make opening remarks before we proceed to questions.

Dr Campbell Christie (Commission on the Future Delivery of Public Services): Good morning, everyone. We are pleased to be here. Thank you for inviting us to meet the committee. The meeting gives us the opportunity to discuss where we are at this early stage of our work and to hear committee members' views on issues that they would like us to address and on any relevant work that the committee has done.

The convener has introduced the commission members who are present—not all its members are here. Commission members' abilities are outstanding. They take the work that they are doing seriously and it is very informed by their backgrounds. I am pleased to chair such a commission. Even though Ruth Wishart started from Kilcreggan this morning, she has managed to arrive in time for the meeting. That indicates our members' commitment to participating.

The commission was established late last year. I was pleased that many able and experienced individuals agreed to join it. We have been asked to report by June. The timescale is ambitious, but not without good reason, because it will ensure that our recommendations have the chance to influence the new Scottish Parliament and the Government that is drawn from it in its early days, as it prepares budget proposals for the remainder of the public expenditure cycle and beyond.

In our remit, the Scottish Government set out a vision for the public services of the future and asked us to

"identify the opportunities and obstacles that will help or hinder progress towards this vision and make recommendations for change".

In particular, we were asked to:

“address the role of public services in improving outcomes, what impact they make, and whether this can be done more effectively

examine structures, functions and roles, to improve the quality of public service delivery and reduce demand through, for example, early intervention

consider the role of a public service ethos, along with cultural change, engaging public sector workers, users and stakeholders”.

I agreed to chair the commission because I believe that Scotland's public services are an expression of its commitment to social justice. Furthermore, our public services play a vital part in maintaining social cohesion and protecting the most vulnerable.

A key challenge for the commission is to find a way to sustain public services that deliver results, are well managed and governed, and continue to be valued by the people of Scotland, despite the difficult economic environment in which we will operate in future years. The future delivery of public services in Scotland faces substantial challenges and we cannot assume that the nation will easily be able to meet them. Addressing the challenges is the most significant task for the people who are responsible for Scotland's public services and will remain so for at least the next five to 10 years.

I regard the commission's job as being to help those people to be successful in that task. Our fundamental role is to produce a road map for the reform of public services in Scotland. Our role is not to produce detailed recommendations on particular budget headings. That will initially be a task for the Scottish Government after the election, as it prepares a draft budget for 2012-13 and beyond, and it will subsequently be a task for the Scottish Parliament, as it scrutinises the budget bill. Our role is to recommend a broad approach to the reform of services, which we expect to have significant implications in the longer term. It would be wrong of anyone to have the idea that our remit is to produce specific budget allocations for the immediate term.

In the first instance, we are approaching the task by assembling evidence. Our recommendations will need to be based on a comprehensive body of information and evidence on the current operation of Scotland's public services and possible outcomes for the future. To that end, we issued a call for evidence in December and invited people to share with us their knowledge and views.

As the committee would expect, we are also undertaking work at our own hand to identify relevant research and evidence, including evidence that has been gathered through the work

of the Local Government and Communities Committee and other committees of the Parliament. We are finding out about action at local and national level to reform public services in Scotland. We know that work is proceeding on the structure of the police, fire and rescue services, and health and social care in Scotland, and we think that the delivery of public services is being reformed in many other areas, through local initiatives.

We are holding a range of early meetings with key stakeholders, including the political parties, to seek their engagement in the commission's work and to receive early views on the key issues.

As evidence is collated, we will go back out to organisations and communities to discuss their ideas with them. To do that, we will stage a series of discussion events throughout Scotland in February and March. We are conscious that purdah comes into our consideration in the middle of March, so between now and then we will have a very active period of getting out and talking to the public.

From April onward, we will be reviewing and considering in depth all the evidence that we have received as we develop the ideas and recommendations that will form our report, which is to be published in June.

The task that we have been given is challenging, but we have been encouraged by the support that we have received from contributors and the enthusiasm that has been shown so far in the meetings that we have had with key players about the need for the task to be performed.

We look forward to engaging with your committee and hearing your views and suggestions as to the areas that we might examine. I hope that what I have said and the note that we have circulated to the committee are helpful to you. I look forward to hearing directly from you where and on what basis you feel that there is the possibility of public service reform. We are anxious to discuss with you any ideas that you have and to take them on board in our deliberations.

The Convener: Thank you for those opening remarks. Over the piece, we have examined some of the issues in detail with various stakeholders and academics in round-table sessions. We have received evidence and produced a number of reports, which are in the public domain, and we will ensure that they are made available to you for your information and interest.

I have a couple of general questions before we move to more specific questions from committee members. The independent budget review panel looked at the issues that confront public services and the challenges that they will face. It looked at

not just the current financial crisis but what maybe should have been happening on an on-going basis and what will happen in the future. It listed a number of options for Scottish Government priorities, which were supported by some stakeholders—I think that that gives you two questions. The fact that the Scottish Government rejected some of those recommendations poses a question for you. What assurances have you had that the Scottish Government will accept your recommendations? Will you be able to produce those recommendations by June? I have confused myself—I think that there are about three questions in there.

Dr Christie: Stop now or it will be four.

The Convener: Maybe I should recap what I said, for clarity. How does your commission intend to build on the work of the independent budget review panel? Do you believe that the Scottish Government—if it is re-elected—will accept your recommendations, given that it says at this point that it will consider them? Have you had any buy-in from the other political parties that suggests that they might accept your recommendations?

10:15

Dr Christie: Thank you for those questions. My colleagues will intervene as they feel appropriate, if you do not mind.

At the very first meeting of the commission we had members of the independent budget review panel along to speak to us. We asked them along, because they said specifically in the final chapter of the IBR report that there was a need for longer-term thinking on the provision of public services—longer-term than they were asked to consider. The panel had been asked to provide a report to the Scottish Government, particularly in relation to the budget that is currently being debated.

We asked members of the IBR panel along for two reasons. First, we wanted to understand the thinking behind the final chapter of their report, which said that a lot of work had to be done on taking longer-term decisions. The panel members were very keen to urge us to do just that.

Secondly, we wanted to ensure that we would have access to the evidence that was submitted to the panel by various organisations. The members of the panel said that much of the evidence that they received related to the longer term, rather than to the term that they perceived that they had been asked to consider by the Scottish Government.

In our call for evidence to our commission, we told organisations that we would have access to the evidence that was submitted to the IBR, and that if they wanted us simply to look at that

evidence, they should not bother submitting the same evidence to us.

The Auditor General for Scotland gave evidence to the IBR, and we are having him along to talk to us about the strong evidence that he gave on the need for reform in the public sector. We regard the work of the IBR as an important source of fundamental information that we would like to make use of.

The convener asked us about assurances from the Scottish Government. We would not expect any Government to say to any organisation that it would implement all of that organisation's recommendations. We have been asked to produce a report and to make recommendations. We will do that, and we hope and expect that our recommendations will be given proper consideration. However, we do not expect that what we produce will automatically be implemented either by the present Scottish Government or by whichever Government might replace it.

We hope that our recommendations will be given serious consideration, and we hope that the quality of the work that we expect to do will be recognised. We hope that any Government will have the courage—and courage will be required—to take long-term decisions on how public services can be delivered in an environment of economic stringency. The best way of making progress in Scotland will not be through a thousand arbitrary reductions in spend that are not in any way integrated.

We have sought to meet the political parties. We have met the Labour Party, the Lib Dems and Margo MacDonald, and we will be meeting the Greens. The Conservatives did not think that it would be appropriate to meet us. However, we hope that they will change their minds; we have gone back to them and said that we hope that they will think again.

The Convener: Do you expect to do better than the IBR in terms of Government acceptance of your recommendations? Many of the IBR's recommendations—and not necessarily only the longer-term ones—were not accepted by the Government. Will you draw anything from the IBR experience? The people who work on your commission have made a commitment, and we are six weeks away from an election. I am confused—it might be a bit longer than that, but we will be out of here a lot sooner than that. The independent budget review panel did extensive work and made many recommendations, and many of them were rejected. Do you expect to do better than that?

Dr Christie: We hope that whoever receives our report will seriously consider our

recommendations. We anticipate that the recommendations will be forward looking and will require courage. It is interesting that in the meetings that we have had with political parties and others, there has been a call to us to be courageous and bold in what we suggest. I have been around politics long enough to know that, once elected, Governments decide what they are going to do and Parliament decides whether to approve it, so we will need to see what happens.

We are asking for evidence as well as submissions. We want people to say not, "This is what we would like to happen," but, "We've got evidence that not only would it be good, it's happening here in our area." We want to examine such evidence. We want to see what works in delivering public services and what will be sustainable and affordable. That is the sort of information that we want. We hope that whatever Government is formed will take that information seriously.

The Convener: I am sorry to labour this point, but I think we have to put all this in context. The independent budget review panel would have claimed that they were being bold and courageous. Certainly some people would have claimed that what the Arbuthnott review of joint working and shared services in the Clyde valley was proposing was bold and courageous. Some people would say that some of the ideas that have been put forward on education, police and fire and rescue services have been courageous—indeed, those bold and courageous ideas have come in for a great deal of criticism from some members of your commission. So, what gives you the confidence that you and the commission, which is undoubtedly committed to the public sector, can achieve what others have not, between now and June?

Dr Ruth Wishart (Commission on the Future Delivery of Public Services): I am not dismissing that line of questioning—I see absolutely where you are coming from—but from my perspective, which is outwith the political system, I think that it is quite clear to everybody concerned with the commission and everybody sitting in the room today that the status quo is not going to be an option, regardless of how the Scottish Government is configured after May. I regard the work that the independent budget review panel did, the work that Arbuthnott did and the work that we hope to be doing as important pieces of research that will help any incoming Government take what are going to be difficult decisions.

To echo what Campbell Christie said earlier, it would be a rash Government that said, "You make recommendations and we'll accept them." What we can do is add to the body of knowledge on how public services are currently delivered and, having

taken considerable evidence from all those bodies, make reasonable guesses as to how public services could be delivered in the future in a way that would protect the very Scottish ethos that I think we are all anxious to preserve.

Alex Linkston CBE (Commission on the Future Delivery of Public Services): There is no magic bullet. We are going into a period the like of which none of us in the public sector has ever been in. The cutbacks in public expenditure are one thing, but even more challenging are the new expenditure burdens in the system, which will have to be funded—I refer to the rising elderly population and the environmental measures that are coming from Europe. The challenge that we will all face will increase.

We are looking at the various actions that a Government should be considering in managing the pressures that will come over the next decade. We have had recessions before, which have lasted two or maybe three years and then the money tree has continued. We are going into a period in which things are going to be very flat for probably 10 years, against rising public expectation.

We need a new culture and new ways of handling that. Many good things are being done out there just now. We want to try and identify what good and solid practices are out there that could be rolled out nationally. That will include all the things that have been mentioned. We will require a series of measures if we are to deliver against the needs of the Scottish public.

Dr Christie: Alex Linkston is speaking as a former local authority chief executive who delivered. Those are the sort of people we have on the commission.

The Convener: We understand. We have had evidence from Mr Linkston in the past.

Councillor Pat Watters CBE (Commission on the Future Delivery of Public Services): It is impossible for us to answer the question about exactly what will happen to the report once it is handed over to the Government of the day. I dare say that none of the committee members would know that or like to answer that question. We think—probably as the committee does—that the timescale is very tight. It will be extremely challenging to do the work in the time that we have, but we will attempt to do it and to ensure that we produce for the Government of the day a report that is not only factual but evidence based. Our job is very clear: it is to present a succinct, evidence based and forward-looking report to the Government of the day by June, if that is possible.

Alex Johnstone (North East Scotland) (Con): I am glad to give you the opportunity to interact with a Conservative. We will see what we can do.

I am interested in exploring your perspective. My first question is a simple one. Do you regard the terms “public service” and “public sector” as being synonymous?

Dr Christie: No. Public services are delivered in various forms. Some are delivered by the public sector, but many public services are delivered by the voluntary sector and the private sector. We are not examining the public sector; we are examining how we can deliver public services in a way that will react to economic pressures and increasing social pressures, such as the length of people's lives.

Alex Johnstone: What we used to call the voluntary sector has evolved into something rather different called the third sector, which has an important role in the provision of public services in Scotland. Will you explore how that sector could be extended and developed to produce efficiencies in public services?

Dr Christie: We will examine the role of the third sector and the extent to which it might have a bigger or more comprehensive role to play. All that is on our agenda. Clearly, we will have a debate within the commission about the extent to which it is possible to deliver public services—in a way that is underpinned by democracy—by either the private sector or the third sector with an extended role. All that will come into play in our considerations, but we are not starting on the basis that public services are delivered by the public sector. We are quite clear about that in our terms of reference and in the evidence that we seek. Indeed, the public services group of the Confederation of British Industry has come along to see us and to give comprehensive evidence of their role and how they deliver that. We have promised to go back to them to discuss the role of the private sector in the delivery of public services.

Of course the public sector is a big player in the delivery of public services. In terms of democratic structures, the public sector has a democratic underpinning that the private sector and, sometimes, the third sector do not have, so we will want to take that into account.

Alex Johnstone: You have covered what I was going to ask about next—the potential role of the private sector—but I will raise the subject again. One or two local authorities in the south have made radical decisions about farming out services to the private sector. Will you look at that? If not, is that because you would have to go into too much depth for the level you are dealing with?

10:30

Dr Christie: We will examine whatever evidence is submitted to us. We have already had

an invitation from the Chancellor of the Exchequer's right-hand man.

Alex Johnstone: Danny Alexander?

Dr Christie: We have already been invited by the Westminster Government to talk about what it has been doing. We will want to look at any good examples that it has to offer us.

Alex Johnstone: That is very good. Thank you.

John Wilson: Good morning. My question is similar to Alex Johnstone's, and I think that you answered most of it in relation to the distinction between public services and the public sector. The remaining question is how you make that distinction. Dr Christie outlined earlier that police, fire and rescue services and health reviews are taking place. How does your commission see itself fitting in with those public service reviews? We have been told that you are charged with looking at the breadth of public services, so surely the three reviews that I mentioned should come under your remit as well and tie in with what you will do. We know that local authorities work jointly with health boards, the police and fire and rescue on the delivery of services at local level. Will that not skew your outcomes with regard to how you view the future delivery of services?

Dr Christie: I will ask Pat Watters to respond to that. However, part of our remit is for the reviews of those three areas to come to us so that we can consider them. I was anxious to make it clear when we were discussing the setting up of the commission that I did not want it to be seen as the long grass into which on-going work could be sidetracked. We want to ensure that we know what is being proposed or implemented and that we are happy that it should go ahead. So, the reviews will come to us for comment, and not to be kicked into the long grass. Would you like to say something on that, Pat?

Councillor Watters: Campbell has covered most of the issue. On the reviews, the police and the fire and rescue services reviews are out to consultation. We have an understanding that the results of those consultations will come to us.

The area of care has been mentioned. We are aware that we are approaching an election and that many things will be stated about many services over the election period, but I do not think that that will necessarily constrain us in considering what we think will be the best shape and model for future delivery, or from making recommendations to whoever is in Government, when we have our observations ready. We understand that consultations are going on in some areas. Suggestions have been made about policy matters in other areas by various political parties, but I do not think that that will constrain us.

Our job is to look at the public sector and delivery. That is what we are going to try to do.

John Wilson: Thank you very much for that response. As Dr Christie mentioned earlier, the issue of democratic accountability arises with regard to delivery of public services. Is the commission prepared to look at that?

The convener referred to the Arbuthnott report on the shared services agenda for the Clyde valley. I do not want to pre-empt your report in any way, but it might recommend reducing the number of local authorities, because delivering services in, or bringing services into, larger local authority units might be advantageous for cost savings and efficiencies. Will you examine the democratic process in progressing that agenda? With his Conservative hat on, Alex Johnstone talked about private sector delivery of services. I am concerned about how we ensure democratic accountability at all levels of delivery of public services.

Dr Christie: I emphasised the importance of delivery of public services in the context of a democratic underpinning, which will be an important issue for us. Democratic underpinning can be at the level of the Scottish Government, local government or whatever. We can have democratic underpinning with other forms of delivery, as current operations show.

I will not predict the outcome of our work, but I can say that we will certainly consider sustainable and democratically accountable delivery. We will take into account and consider seriously those issues in relation to any restructuring that we talk about.

Part of our remit is to consider structures. We will do that, but we do not want to get hung up on structures. The work is about other issues—outcomes, how we deliver in the best way possible, how we link up forms of delivery and how we break down silos where people say, “We deliver this” and “We deliver that” and do not talk to one another. We will consider those aspects and how they might be improved.

Bob Doris (Glasgow) (SNP): I will return briefly to the process and when the commission’s findings will be published, after which I will move on to specifics. You will produce your findings, analysis and recommendations pretty much immediately after the Scottish elections. Is that timeous? If you make radical or bold suggestions for the reform of service processes and structures, surely any incoming Government should see a window of opportunity to act quickly in its first year. I know that your timescale for reporting is challenging, but is that the ideal time for you to report?

Dr Christie: Yes—although my personal wish would be not to report in such a short timescale.

Two and a half months or so into the work, I am even more conscious that the volume of evidence and information is huge, so the timescale is difficult. However, I was convinced by the argument that publishing by the end of June at least provides an opportunity to influence the incoming Government’s policies. It is interesting that some politicians tell us to be bold. I hope that they will be bold if we make bold recommendations.

The report will be timeous. The timescale for delivering such a comprehensive report that will cover the whole of Scotland is challenging, but I see why it makes sense to have our evidence and recommendations in the public domain when important decisions are being made for not only one year but—I presume—for three years ahead and beyond. It will be important for our report to be in that mix.

Bob Doris: It is not just the public sector that often works in silos; political parties work in silos. If radical or bold recommendations come from the commission, is it incumbent upon all political parties—we do not know the outcome of the election in May—to put party politics to one side and to try, given that we will just have had an election, to find a consensus to introduce the legislation that will be needed to underpin the recommendations? In other words, should it be seen as the Parliament’s work rather than the Government’s work when the commission’s recommendations are made?

Dr Christie: Some of my colleagues might want to comment, but I want to say that I was involved over the years in the campaign for a Scottish Parliament and in the founding of the constitutional convention and I was hopeful that that would result in a consensus position in Scotland, which perhaps was not apparent elsewhere in the United Kingdom.

After more than 10 years of the Scottish Government, I hope that if we produce our report and make bold recommendations that address the realities of the current situation, the political parties and Parliament will be bold and will be prepared to say, “Here’s a way forward that we can all embrace.” I am not sure how long I have to live, but I hope to see that in my lifetime.

Councillor Watters: I am very interested in what Bob Doris had to say. We would need to extend the commission’s remit if you are talking about our coming back with a recommendation on how to amalgamate the political parties within Parliament. That is perhaps a cost-saving exercise that would be worth considering.

Alex Johnstone: I point out that I am not up for that.

Bob Doris: I want to mention specific structures. I do not hold out much hope for consensus this side of 5 May, but we will see what happens afterwards. We will leave that to the ballot box.

On working in silos, the committee has looked at how local authorities promote shared services and we have already heard about Arbuthnott. We keep coming back to local authority structures. I am minded to say—I am interested in whether Councillor Watters agrees—that it is about the outcomes rather than structures and that we should not, therefore, be hung up on structures. An outcome may be a change in council structures, which could mean—I do not prejudge the conclusions on the matter—that there are no longer 32 local authorities.

You talked about ethos and cultural change. It is understandable that individual local authorities would be quite defensive about both the council structures and shared provision. It seems that every council is up for shared services as long as they are the lead provider of that service, and that every local authority is up for changing local authority boundaries as long as their boundaries are untouched. How challenging do you think that will be and how are the conversations going with individual local authorities? I am conscious that Councillor Watters is on the Convention of Scottish Local Authorities. How is your conversation going with COSLA?

Dr Christie: I will ask Pat Watters to say something about that.

We start from the basis that we have been asked to look at structures, so we will. The starting point is the current structures. I recall that there was not a lot of democracy involved in the process when 32 local authorities emerged as being the proper structure for local government. When we examine structures, we will ask what makes sense in the present-day environment and what makes sense if we are going to be focusing on outcomes rather than on symptoms. We will take all that into account. Pat Watters and Alex Linkston will comment.

Councillor Watters: Bob Doris is right in that each of the 32 democratically elected local authorities will defend their own positions. However, we would take the wrong tack if, in considering structures, we looked only at local government. Local government has said for a number of years that it is happy to get involved in a debate about structures as long as everything is on the table in that regard and not just parts of the public sector. The value of the commission is that it will look across the public sector at the interaction of the different parts, which all have a role in delivering to communities. As an elected councillor, I am comfortable about doing that. Will I

put some local authorities on the line as sacrificial lambs? No, I will not. However, if there is a good arguable case about how we can improve delivery at local level by looking at the structures of the whole public sector, I think that all local government will be on board for that.

10:45

Alex Linkston: As was said, we are looking for a cultural change in how we do things. If we just make incremental changes to the way in which we work, there will be a serious mismatch between resource and demand. I have seen no evidence that changing structures necessarily improves efficiency or saves money; it could in fact increase costs.

There are tools for getting best value. Benchmarking is the most powerful tool that I have come across in my career. Local government is looking closely at that, with the Society of Local Authority Chief Executives Society of Local Authority Chief Executives and Senior Managers taking the lead. We want to look at such tools as well as at structures in order to produce a range of suggestions that the Scottish Parliament can consider, and then decide what is appropriate for the environment in which it finds itself.

Change in the public sector will evolve over a number of years. Structures may be looked at, but not necessarily in the first or second year. If there is a review of structures, I hope that it will be evidence based. It would have to concern structures that we know will deliver more cost-effective services that can deliver the national objectives. Just diving into a structural review could cost more money in the short term and would not necessarily deliver long-term benefits. We need evidence-based decision making, which I hope we will come up with in the commission.

Kaliani Lyle (Commission on the Future Delivery of Public Services): I come into the commission as someone who is interested in the citizen, the user and the consumer. That is why, when Campbell Christie asked me to participate, I agreed to do so. I, too, had a question about the commission's timescale and wondered whether it was possible. However, I talked with Campbell and concluded that this was an important time to have a commission on reform of public services.

It is critical that we do not prejudge what the commission will come up with in terms of structures. I would like everything to be on the table for consideration, using an evidence base. There are two areas to consider: structure and agency. We could have the best structures, but different factors could mean we could not deliver the desired reforms. So, I would want to look at both structures and delivery, and the difficulties

that are involved in integrating services to get the outcomes that we want to deliver. However, we should put at the heart of this discussion, as a determining factor, the people who receive public services. They should not be forgotten in our current discussion.

Bob Doris: Thank you.

The Convener: That last point refers to an important aspect. We have taken a lot of evidence from the voluntary sector about outcomes. However, the other side of that coin is the producer side, and a question that arises is what impact how we treat those at the bottom of the public sector who deliver crucial services will have on vulnerable people and other consumers of public services. I am talking about how the lowest paid in local government have been treated, which the committee has raised. They are the only group of workers at that level who face a pay freeze. Even the Tory Government is not imposing a freeze on public sector workers down south who earn less than £21,000. Will that impact on the services that the very poorest workers deliver to the most vulnerable? There is a concern that the voluntary sector is constrained by its wage structures, and wages are being kept down at that level. There are issues there. I hope that how the treatment of the lowest paid and the conditions that they are working under will impact on the important services that they deliver to the most vulnerable is taken into consideration; I hope that that is on the horizon, as well.

Dr Wishart: One of the things that concerned us at the last full meeting of the commission—in between the evidence taking—was that, accidentally, we might exclude the very people whom you are talking about: the people who are in the greatest need, who often have the smallest voice in attracting attention to that need. At that meeting, we all took the decision to take a fresh look at our sources of evidence. We will now include in those sources of evidence the sections of society that you are discussing, so that when, for example, we go to conferences, instead of hearing only from chief executives, we will talk to carers, users and consumers—the people on whom the greatest impact will be made when services are reconfigured, as I believe, ultimately, they must be.

Eddie Reilly (Commission on the Future Delivery of Public Services): I think that the convener's point is very important. From a trade union point of view, I have never in my 35 years' experience detected, in any of the hundreds of reviews that have been carried out by central Government during that period, any willingness on the part of a Government of any political colour to understand the need to take with it the workers who deliver those services when changes are

made, and to make them part of the process instead of leaving them outside it. That will be a big factor in implementing change. Governments need to realise that, if they are to bring workers with them, any continued pay discrimination or threats to jobs will have a big influence on whether workers will find it possible to co-operate with them in looking at what may well be radical change.

I certainly hope that public service workers in Scotland would not want to see followed the example of what is going on south of the border, where decisions are being taken to close libraries and so on without there being any plan about how public services can be delivered coherently across the board, and where the Government has not taken public service workers with it to ensure that quality services are created.

Alex Linkston: I have always believed that the public sector is a people industry—in the main, the services that we deliver are delivered by staff such as doctors, nurses, social workers and teachers. We have to motivate staff. Hopefully, whatever we come up with will have employees at the heart of it, because that determines the quality.

When I was a serving chief executive, I favoured a pay freeze for one or two years on the basis that it would give us time to think about points such as those that Eddie Reilly has mentioned. We need thinking time. The UK Government announced the spending limits for the next four years only last October, and a month later the Scottish Parliament issued its guidelines. We need time to think about how we are going to deliver the essential services that the public in Scotland need within the reduced amount of money that is available. It is terribly important that we use the opportunity that the pay freeze offers to maximise that thinking period, so that we can come up with a sustainable framework that puts employees and users of services, equally, at the heart of everything that we do.

The Convener: Pay freezes have been accepted right across the board, and built into them has been protection for the workers at the very bottom of the scale, apart from in local government in Scotland. I do not know whether that can be sustained without it having an impact on the most vulnerable people. Many people in local authorities are delivering care for their communities every day all over Scotland, and the fact that they are on low pay is not recognised. There is a battleground here. If you like, there is an area in which we need to keep pay down—the paying of the price by low-paid people for the financial mess that we are in. How will the public sector ethos apply to those people?

Councillor Watters: It is difficult. To generalise, there are certainly financial problems in local government and right across the public sector. In

local government, we do not have the luxury of overspending, which is a luxury that other parts of the public sector might have. We have to live within the limits that we are given. Within those limits, local authorities are now considering how to deal with low pay in their area of the public sector. However, if the commission is being asked to consider how low pay is dealt with, as well as considering how structure, outcomes and the delivery of services are dealt with, you might receive a report in June, but in two years' time.

The Convener: I would contend that these issues must be considered in the round. You cannot pick and choose. We hope for good, bold, radical and sustainable decisions from your report, but can we do good, bold and radical now? Mr Christie mentioned his awareness, even just a few weeks in, of the scale of your task. That issue has been mentioned a number of times this morning, and it was not something that the committee made up. It comes from evidence that we have heard from people with long experience in the public sector. For example, Consumer Focus Scotland is very sceptical about what can be achieved between now and June.

You are now a few weeks into your work. In order to meet your timetable, do you need additional resources to help you to deal with the scale of your task and the volume of evidence that may be presented to you? You are to present a report in June—offering good, achievable, sustainable, bold and radical decisions—but can you do that with your present resources? I am asking about the practicalities.

Dr Christie: The answer can only be a judgment. Even with a blank sheet of paper and no other activity—the investigations that we want to carry out and the evidence that we want to gather—we would not have thought that the end of June would be an appropriate time by which to produce a report of this nature. However, we see clearly that, if we want to influence the direction of travel in the period ahead, there is value in producing a report in the early stages of a new Scottish Government that is determining its spending plans for the remaining three years of the present expenditure period. There are two sides to the argument. It may be that, when presenting our preliminary views, we will suggest that further work needs to be done. We can work along those lines. We had this debate with the Government—I certainly did—and I am convinced that there is value in producing a report that can feed into the decision-making process that will take place after the election. What happens thereafter is a matter for our commission to determine.

11:00

As far as the servicing of the commission is concerned, we are satisfied with the resource made available to us by the Scottish Government to work on the basis on which we are working. We had a meeting about the issue yesterday with the First Minister. He made it clear that, if we need additional resource from the Scottish Government, he is willing to make that available to us.

We are conscious of the issues that you raise. The situation is not ideal, but we do not live in an ideal world. We think that it is important to try to influence the direction of travel after the election. Beyond that, it will be for the commission to consider whether to say that the report is a preliminary report and to recommend that we look further at the issue. It would then be for a new Government to decide whether that would be appropriate. We are conscious of the situation but we are pretty clear that we will be able to publish a report and make recommendations by the end of June.

Mary Mulligan (Linlithgow) (Lab): Good morning to you all. I do not want to labour the point, but I would like clarification on the timescale for the report. I have to be frank and say that it is very challenging, given what the commission is being asked to examine. Clearly, decisions are being taken now by local authorities and other public sector providers that will have an impact in the future. The commission will not report until June and it is likely that whoever forms the new Government will look at the report. That means that it will have limited impact on next year's budget rounds. At what stage does it become difficult to make recommendations that will be effective, given that some decisions might already have been made?

Dr Christie: The decisions on 2011-12 will be taken by the Parliament today or in the immediate future, and I imagine that that will be the position for that year. We are looking at the following three years of the four-year cycle. In producing a report by the end of June, we are hopeful that it will have an impact on what the new Government puts forward in its spending plans for the next three-year period. One of my motivations for agreeing to chair the commission was that, without something trying to pull it all together, the cuts in expenditure are being made piecemeal. There are different cuts in different areas and different services are affected in different ways. I was concerned that, as a result of that, the easy targets—as Pat Watters says, the targets that would achieve the budget for the year that they cannot go beyond—would be the ones that would be hit. I was anxious that we at least put into the public domain options that would not result in indiscriminate cuts. Obviously, we cannot conjure up new money, but we can

maybe recommend how the money that is available can be used in a way that would be fairer and that would not result in those least able to defend themselves being the ones that suffer.

Those were the motivations for thinking that the earlier we got into that domain, the better. I do not know how long it will take for a new Government to emerge, but the end of June seemed a good time for the commission to report because, by that time, a new Government will be considering its spending position for autumn this year. I hope that our report will have an impact on that.

Of course, our task is hugely challenging. I believe that the Wheatley commission sat for years rather than months. That is the timescale that would be needed to consider all public service structures thoroughly, but we do not have that timescale.

Mary Mulligan: I am reassured that you think that the commission is worth while and that you will do what you can within the timescale. I suppose that, for all of us, the proof will be when we try to make the changes. I will not labour that point further.

I think that everybody feels that budgets and grants will be tight for the foreseeable future. The only other way in which public services can be funded is through charging. The question has been raised whether services that are currently provided free of charge should be charged for at the point of delivery. Does the commission have a view on that? How will you approach consideration of that?

Dr Christie: In a sense, the commission has no view on anything yet. However, I can say with confidence that the commission will have a view on examining the issue of charging as an alternative to other means of raising funds and it will be for the commission to work out what that view is. In fact, charging is currently being implemented by some local authorities and providers as an alternative to cutting services. That is happening in my area. The issue is on all our agendas and I am sure that the commission will want to express a view on it.

Dr Wishart: Understandably, we have spent a lot of time this morning on structures and on how things are done, because that is obviously what informs many budget decisions. However, some of the evidence that we have taken, including from a witness last week, was more about what we deliver. What we deliver sometimes ceases to be appropriate in its existing form. Teasing that out will be an important way of looking at the future as well.

Mary Mulligan: My understanding was that the commission would look at the general issue of what is provided by the public sector as a whole,

anyway. However, the issue is how we fund that. Will the commission look at everything that is provided and consider whether it should be funded from the centre or paid for directly, and whether we should introduce means testing for certain services? Is everything on the table? If not, what areas have you ruled out?

Alex Linkston: Our primary concern is how to get maximum efficiency from the public sector and our recommendations will address that. However, I do not think that anybody believes that the gap can be closed purely by efficiency savings. Parliament and Government will have to make choices about the level of service provision in some areas and whether some services should be stopped or charged for. I hope that we can close part of the gap through our recommendations but, within the timescale that we have and given our direction of travel, I do not think that we will look specifically at the areas that Mary Mulligan suggested and make specific recommendations on them. It would be for Parliament to make such decisions. The independent budget review report was excellent. We would look to comment on it, but we would not seek to redo its work.

Councillor Watters: I understand what Mary Mulligan has suggested, but the size of the task would make it difficult. If we were to look at every single part of the public sector and at how they interacted, and consider whether there should be service charges and whether those should be central or local charges, and whether the services should be funded nationally or locally, it would take longer than the timescale that we have.

We will consider generally what the public sector is doing and the most efficient and best method of delivering that. Even with the best will in the world we could not dot every i and cross every t for the whole public sector, which is a £33 billion business. However, we would want to look at the general shape of the public sector to see what the way forward is and how we can get better integration across the sector. We would not look at, for example, whether free personal care should be delivered across Scotland and continue to be free or whether it should be charged at different levels or be means tested. We cannot undertake that role. If we did that for one service, the question would be why we did not do it for all. Looking at everything is not feasible in our timescale.

Mary Mulligan: My question, indeed, was about issues such as free personal care and free bus travel for older people.

Councillor Watters: Free prescriptions.

Mary Mulligan: The question is whether those issues would be looked at because they are identified as being free at the point of service, or

whether you think that accepting charging for some things means that it should also be accepted for others. I was trying to get a feel for whether the commission thought that it would have time to consider that and whether it would produce a view that the only other way in which resources can be provided to fund some services when budgets are tight might be through charging.

Councillor Watters: We have said that we have looked at the independent budget review report and had discussions with the independent budget review group. It is not our intention to reinvent what it did.

Mary Mulligan: You are happy with what the IBR said.

Councillor Watters: I am saying that we will take that into account and that we have not reached a conclusion on anything.

Mary Mulligan: That is not the same thing. Is it that you will take the IBR into account and comment on it or that you will just take it into account?

Councillor Watters: You already have the independent budget review report.

Mary Mulligan: Yes, but we do not have the commission's view on it. Are we likely to have the commission's view on what the IBR said on charging?

Dr Christie: We will not necessarily comment on the IBR report's recommendations. An early chapter of what we will look at will obviously be consideration of the finances that will be available in the immediate future and how those are accrued and collected, and we will perhaps identify some principles. However, clearly, we will not be able to look at all individual services and recommend whether they should be charged for or whatever. We will, though, want to try to identify any principles, if we can.

Of course, heaven forbid it, but we might even say that there are other ways of raising funds to provide services. I am not committing any of my commission colleagues on that, but we can debate what resource there is and where it comes from. We can ask whether the resource best comes from charging people for services or whether it is part of our Scottish ethos of simply providing the best of services to those who need them most. How services are provided brings in the whole issue of efficiency, but we might also want to look at the question of how funds are raised to provide services. I do not know yet what view the commission will take on that, but the area will need to be considered in a broad sense.

11:15

The Convener: The committee has raised a number of questions about principle with regard to this matter. Of course, we are talking not only about local government in this respect; we have made some comments that are principally about local government, but we also absolutely accept that the public sector as a whole can do a lot more. In any event, we have been critical about how we monitor efficiencies; indeed, what you have described as the very good independent budget review report concluded that there were no meaningful targets, that cost reductions were poor and that the record in efficiency gains was disappointing. Consumers and, indeed, committee members would expect to find that efficiencies and productivity have provided as much value as charges.

However, as far as charges are concerned, some interesting questions arose about whether they should be used to fund services or to raise income. Should they be based on the actual cost of services or levied on people as an alternative? We were worried that different charges might be applied and have wondered whether there were any principles behind the levying of charges other than their being an alternative source of revenue.

Dr Christie: If you are suggesting that the committee would like us to examine that issue, convener, we will take that on board. I assume, in any case, that we will be looking at it.

The Convener: You will have had evidence from people in local government that increasing charges reduce demand. After all, one of the biggest problems that has emerged in the evidence that we have taken and which is just as significant with regard to the level of spending that public services will have is that demand is increasing. How do we reach a situation in which we spend less money but meet increasing demand? The answer, it seems, is to increase charges. Is that not the case? Perhaps Mr Linkston or Councillor Watters might comment.

Councillor Watters: I do not think that anyone in local government would suggest increasing charges to reduce demand. We accept that demand is increasing, but perhaps that might be met if, convener, you were to move in today's debate that local government should receive a bigger allocation.

The Convener: Pardon?

Councillor Watters: Perhaps you should move that there should be a bigger allocation to local government.

The Convener: I am not in the Government, Mr Watters—I am a convener of a cross-party parliamentary committee.

Councillor Watters: You are all asking about local government, but the commission is looking at the whole public sector. If you want to submit evidence to us, we will be happy to accept it. After all, we, like you, are here to take evidence.

The Convener: We have taken reams of evidence, including from COSLA. Unfortunately, you have not attended any of those meetings. I think that Mr Linkston will agree that increasing charges reduces or depresses demand for local government services.

Alex Linkston: I am not aware of any local authority that has introduced charges purely to reduce demand. Charges are introduced if it is decided that funding should come either wholly from those charges or from charges and subsidies from the council tax fund. That will reduce demand, but I do not think that that would be a motivating factor for any responsible body.

The Convener: I note your use of the word “wholly”. However, charges will still reduce demand and principles must be in place to ensure that they are based solely on the cost of the service being provided to the consumer.

Alex Linkston: If a service is worth providing, why would you want to introduce measures that reduce demand? You might reduce demand among the people who need the service the most.

Charges are brought in when there is not enough money to provide a service and when it is considered equitable to ask a charge—either fully or in part—from the users of the service or as general taxation. Such decisions normally come from the Parliament. A lot of legislation requires local authorities to make charges, either fully or in part.

The issue of charges comes up for a variety of reasons but, in all my time in local government, I have never been aware of any local authority bringing in charges to reduce demand. That would be perverse thinking.

Kaliani Lyle: The commission is at a very early stage. There are lots of questions that we need to consider, and it will be useful for us to take away some of the issues that committee members have raised. We can give our individual points of view, but we will have to come together as a commission to discuss what committee members have been saying. These matters are important, and we will want to consider them in detail.

I believe that we should take a broad approach and put in place a set of principles that we can apply when asking what any particular question would mean. We are still a group of individuals, but we are coming together as a commission as we consider the evidence that is coming in front of us.

Dr Christie: Thank you, Kaliani. Convener, the commission has not yet taken decisions on the issues that you raise. We are gathering evidence, and we are taking decisions on how we gather evidence and on how we can examine it properly. We have not taken specific decisions to exclude this particular thing or to include that particular thing. The commission has not yet taken a position. As committee members will see, individual members of the commission are bringing their own experience to bear. My colleagues and I will have to see how we can pool that experience in a way that makes sense, that helps to take us forward, and that meets the principles set out in our remit.

The issue of having charges or not having charges is one that we will certainly consider during our discussions on how services might be provided. My personal view is that, if we felt that charges would reduce demand among people who need the services, we would be very concerned about going down that route. That is my individual view, but we will have to wait until we are further down the road to see how the commission will react. It will be an interesting debate. While you are all competing in your election campaigns, we will be considering how we can come to conclusions in these areas.

Jim Tolson: Good morning, ladies and gentlemen. I want to go back briefly to Dr Christie’s opening statement. Dr Christie—and later Councillor Watters—referred to the challenging timescale and to the breadth of the commission’s remit. In the commission’s early deliberations, did issues arise that you felt could have been helpfully included in your remit? I would not want to add to the timescale considerations, but would having more issues included in your remit be helpful as the commission heads towards its eventual outcomes?

Dr Christie: I do not think that we have felt restricted in considering any area of how public services are delivered. I do not know whether you have seen on our website or in hard copy the questionnaire and guidance that we have sent out to the people who are submitting evidence. The evidence that we are seeking is pretty far ranging. I do not think that it has been suggested to us that our brief is too narrow and that we should extend it.

I hope that we will not seek to extend it very far, because it covers the whole area of public services. It is helpful that studies are being done in areas that we will be concerned about. As with the IBR report, we will want to look at the recommendations of those studies. I am thinking in particular of John Arbuthnott’s review of joint working and shared services in the Clyde valley and Willie Roe’s examination of entry into

employment for school leavers and the relationship between devolved and non-devolved services in that area. It has been helpful for us to see the work that they are doing and to be able to take it into account.

I do not think that anyone has said that there are any crucial areas that we have not been asked to examine. I do not think that any of us feels that we have been restricted.

Dr Wishart: We said in our deliberations that where other investigations and pieces of research were being undertaken and possible collaborations or mergers were being discussed, any evidence that they provided or conclusions that they reached would be fed into what we are discussing. Quite clearly there is no point in reinventing other people's wheels. We would need to know what conclusions they had reached and for what reasons when we came to make our own decisions.

Jim Tolson: That is helpful. I find both Dr Christie's and Dr Wishart's comments reassuring, because in the past commissions have reported on various things—not just Arbutnott but others—and have felt that their remit was too tight, which did not allow a proper or full outcome.

My colleague John Wilson mentioned potentially reducing the number of local authorities. As Pat Watters quite rightly said, you are looking not just at local authorities but at the wider public service, which includes local health boards and so on. I would be somewhat concerned if the focus was on reducing the numbers, because that is bound to have consequences, for example for local authority boundaries, ward sizes or the number of councillors in wards, or could put greater responsibilities on individuals for the same remuneration. All sorts of things could flow from that. It is a can of worms that we do not have the time—far less the remit—to open.

It would be interesting to find out whether in its deliberations thus far the commission has thought about how to merge services and what kind of structures would best be put in place to improve things. Will you give the committee an indication of the discussions that you have had and will have up to June on that issue?

Dr Christie: The answer is probably not really. Looking at structures is part of our remit and we will want to examine them. We are conscious of the evidence that we have seen from elsewhere—and one just needs to look at history to see this—that restructuring is time-consuming and costly up front. In this period, the last thing that we want to do is to increase immediate cost. It is an area that we have been asked to look at and we will look at it. However, restructuring is not an easy option for precisely the reasons that you make.

Councillor Watters: We are not that far into the commission's work. We are in the process of gathering evidence and looking at it as it comes in. Before we look at structures, we need to look at what we want the public sector to do and what needs to happen for that to be carried out. It is too early for us to say that we need to look at the number of local authorities, health boards, fire services, police services or whatever structure in the public sector. We need to consider what we want to deliver and then what we need in order to deliver it.

Jim Tolson: Thanks for that.

As you will all be aware, the Scotland Bill will provide for the Scottish Parliament to have borrowing powers for the first time. Will the commission consider the use of borrowing powers to help to deliver cross-agency services in Scotland? If so, what views have you had on that so far?

11:30

Dr Christie: We are aware of what is in the Scotland Bill and of the debates that have taken place in the Parliament on it. The commission has not yet discussed it, but one of the early chapters of the report will look at the financial situation and the future moneys that will be available to the Scottish Government. Tax-raising and borrowing powers and other such issues will be part of the examination of the likely economic position in the immediate period ahead, for which we have information, and beyond that. We will want to take the matter into account in our deliberations and consider whether it is another means by which we can provide public services that we would otherwise not be able to provide.

Jim Tolson: Thanks for that clarification, Dr Christie.

Alasdair Morgan (South of Scotland) (SNP): The commission's remit refers to the role of public services in improving outcomes and to how we can reduce demand through early intervention. I want to explore briefly what issues that might take you into.

In health, there has always been the problem of the balance between expenditure and cure. Much of the prevention work might not even be in the health service budget that we see but might relate to improving diet, lifestyles or housing, which have a big role in health. As politicians, we are aware—as I am sure you are—that the public tend to get excited about the sharp end of the health service, so people become interested when an accident and emergency department or a cottage hospital is going to be closed or if a drug is not available, whereas the longer-term issues are not nearly so high profile.

The Cabinet Secretary for Health and Wellbeing has said that the health budget will be protected and I do not think that any other party has resiled from that position. The issue is not necessarily about whether the health service is efficient; it is about what it does or does not do. There is a balance between a sharp-end health service and longer-term issues that might not even be addressed in the health service. Is that issue in your remit or is it a broader policy question that you think would be for somebody else?

Dr Christie: No, it is central to what we have been asked to do, because we have been asked to look particularly at outcomes and at what obstacles are in the way of achieving them. I first became involved in the trade union movement in 1960 and I remember reading then some material about the importance of early interventions as a means of improving health and so on. The issue has remained on the public agenda, but the aim has never really been achieved in 50-odd years. I assume, maybe naively, that that is because it is not the sort of issue that gets the juices flowing for politicians or the public, because it does not produce immediate results but, if you are talking about outcomes, it has to be on the agenda. I note that work is again being done on early interventions.

If I asked Alex Linkston to speak about the matter you would need to go and get your sandwiches, because he has a lot of views on it. That is why those of us who were around when the terms of reference were being drawn up ensured that early intervention, prevention and so on were specifically written into our terms of reference.

The issue is crucial and if we can find a way to tackle it, down the line is when the real benefits will flow. However, politicians who operate on four-year cycles do not necessarily have a good track record of saying, "This'll be helpful in 10 or 20 years' time." People ask me to be bold; this is the area in which we must be bold. We must say to politicians that if they want real benefits they must start some time, and early intervention and prevention produce the real means by which we can ensure that what is delivered through public services is material and achieves its objectives. If outcomes are the issue, we must look at longer-term decisions.

Alasdair Morgan: If we take that approach to its logical conclusion in the financial situation that we are in, we see that it is not simply a matter of saying, "Early intervention is a good thing"; it is a matter of saying, "Early intervention is a good thing and we need to spend more money on it, which means that we will spend less money on something else."

Dr Christie: Yes. It might well mean saying that.

Alex Linkston: A focus on early intervention and prevention does not automatically mean that we spend more money in the area. It means that we join up different bits of the public sector better and use mainstream services to deliver on wider issues as well as on the service objective. It is not all about money; it is about how we use resources.

Alasdair Morgan: My question was about health, but on a more general point, Dr Wishart and Pat Watters said that you have all been considering whether the public sector should do certain things. Is there much scope in that regard? Are there significant activities that the public sector should not be undertaking, which use significant resources? I do not want you to commit yourselves in advance of reaching your conclusions, but are we talking about an area of substance or an area that you must consider without expecting it to deliver much?

Dr Christie: I am not sure who can bail me out on that question.

Councillor Watters: As I tried to say, we are at too early a stage in our evidence gathering to be able to come up with a response. The commission does not have any hard conclusions that it must reach. We know which areas we must consider and we are looking at the evidence as it comes in. We discuss the evidence and mill it about.

You ask whether the issue is of high importance to us and whether we have a conclusion on it. It is too early for us to say. We know that there is an issue, but we do not know what evidence there is on it. I have a personal view, as members of the committee might have, but our personal views will not inform the commission's report, which will be evidence based. We are only two weeks into evidence gathering and we are still waiting for evidence to come in. As well as taking written evidence, we have set up a series of meetings with various groups, so that we can sit down with people and listen to what they have to say.

Dr Wishart: When I was talking about the need to consider the what as opposed to just the how, I did not mean that we would necessarily find that lots of things are being delivered that ought not to be delivered. I meant, rather, that what we have already found from the evidence is that some of the ways in which we go about delivering services and some of the things that we are offering people are not of much assistance in the world of today and tomorrow.

For example, last week we took evidence on training. The research on that has already uncovered approaches that do not necessarily give people the tools that they need as they seek employment in the current marketplace. Many income streams are allocated to what might be the wrong tools. Many nitty-gritty bits of service

delivery are beginning to come out in the evidence.

Patricia Ferguson: Good morning. To be frank, your remit is daunting. I admire you all greatly for taking it on. Throughout our discussion, I have been conscious that we are talking about a period in which demand will increase and budgets will reduce. Your remit is not just about squaring those two issues against each other; you are also charged with driving up standards. The remit says that

“the average”

should

“meet the standards of the best”.

What discussions have you had about that aspect of the work that you have been asked to do?

Dr Christie: In truth, we have not had such a debate yet. We have concentrated on our own structures and on requesting and analysing evidence. We have not really had the sessions on such matters, but we will have them in the period ahead. That is why we say that we have not excluded anything or identified areas that we might not consider—we have not reached that stage, so I do not know whether I can respond to your question.

I think that Alex Linkston would say—and can say—that, if we really want to consider the outcomes-based way forward, we will look to improve the quality of services that are provided without incurring extra costs. We want to examine that. For example, would early interventions overcome the need for repeated health interventions and produce better outcomes? We have talked about that level, but we have not gone into the detail to which you referred.

We are conscious that the opening part of our remit is the Government’s vision. We might at some stage say that achieving that vision is impossible in the current environment, although I am not saying that that is our position. That part of the remit reflects the Government’s vision and is the basis on which it asked us to consider particular issues, including outcomes.

We have still to have the debate to which you refer. Before we came into today’s meeting, we sat in the waiting room—the corner meeting room that we were given—and got into a debate. When we have met informally after discussions with people, we have had stimulating debate. My trade union background means that I will have to get all the commission members to sit down to have a proper discussion and reach proper decisions. We are not at that stage yet, but we will get there.

Alex Linkston: Many good examples are out there. We hope that people will provide us with

some of those good examples, which we can study. We will ask what characteristics make such initiatives succeed and what learning from them we can take to the wider public sector ethos and embed in the culture, so that good practice becomes not the exception but how we do business as a country.

11:45

Patricia Ferguson: You have answered what was to be my second question, which was whether you expect to have the scope to do such work. That is helpful and saves us from discussing that.

I am conscious that your remit really reflects the Government’s vision. To take three examples that happen to follow one another your remit refers to services that:

“are appropriate to local circumstances, without inexplicable variation; are designed and delivered close to the customer wherever possible, always high quality respond effectively to increasing demographic pressures”.

It strikes me that the Government is suggesting specific areas that you will want to look at. I understand what you are saying about having the time to do that.

I will quote Dr Christie—not for the first time, I have to say. You said that you had been encouraged to be “bold”. I wonder whether that boldness would extend to telling the Government—whichever Government—in June that you need more time. A few times this morning, reference has been made to the fact that you are very early in the process of gathering evidence—Mr Watters said that—but in fact, by my calculation, you are about halfway through your allotted timeframe. By the end of February, you will be exactly halfway through. It strikes me that there is genuinely not a lot of time for you to do all the things that you have been tasked with doing. Is that something that you have in the back of your mind? Is it something that will have to come to the forefront of people’s minds slightly closer to the time?

Dr Christie: It is unlikely that we would not want to produce a report at the end of June, but that report might say, “Here are areas that we’ve looked at and here are recommendations. We seek more time to look at some longer-term things.” This is only my view, but we would certainly want to be able to produce a report by the end of June. If, as we are drafting that report in April or May, we begin to think that we have not really had the time to do all that we would want to do, we might want to say something about that in our final report. At the moment, we are certainly working on the basis that we will produce a report with recommendations, which will be bold and will

address the issues, so that it comes into play for the rest of the spending review period.

Patricia Ferguson: I wish you all very good luck in coming to those conclusions.

Dr Christie: Thank you.

The Convener: I have another bid for questions from John Wilson.

John Wilson: Mr Linkston, you referred to a public sector ethos. Dr Christie, in the note that you kindly gave us before today's meeting, you referred to a "public service ethos". Will you expand on what you see as a public sector or public service ethos in Scotland? Do you envisage that being different in other parts of the UK?

Alex Linkston: I cannot talk for other parts of the UK, but I have seen tremendous commitment to public service across the public sector. When I was chief executive of a council, we did a lot of partnership working with the health service, the police, Jobcentre Plus, the Scottish Public Pensions Agency, the voluntary sector and the private sector. There is a huge commitment to serve the public. People want to do a good job. A lot of the time we get in the road of that by bringing in rules, organisational structures and silos. Staff from different agencies come together to resolve what are very complex issues. I have seen it time and again in my period as a chief exec. I am now convinced that there is a very strong public sector ethos. It is not a case of people just turning up on a Monday morning and working till Friday and it is just a job; they have a very strong commitment to delivering public services well.

Dr Christie: I lived and worked in Kent for 15 years. I came back to Scotland in 1985 to be general secretary of the Scottish Trades Union Congress. Did I see a difference in community approaches between leafy Kent and industrial Falkirk? Yes, I did. There is a Scottish ethos of fairness, of helping those who need help and of wanting to see people prosper and go forward to achieve their objectives and so on. I found that stimulating. After spending a number of years in another environment, I was convinced that there is a distinct Scottish ethos of justice, fairness and helping those who need help and giving them priority.

That is what I regard as a public service ethos. It was one of the motivations for me to campaign for a Scottish Parliament, because I thought it would make Scottish decisions to tackle Scottish problems that would be different from decisions that were dependent on debates in the Westminster Parliament. It is such issues that I think and talk about when I think about a Scottish ethos. As I said in my written submission, that is one of the reasons why I was prepared to be involved as chair of the commission.

John Wilson: Does the commission not have a dilemma on its hands in examining the services that should be delivered by public authorities as opposed to what the public expects and wants from those services? We have discussed the issue of 32 local authorities doing 32 different things in their areas. There may be 32 different delivery systems because the residents in those areas want a service to be delivered in a particular way. The issue is how we get a common approach throughout Scotland to delivering services that benefits everybody in Scotland and that tackles in particular an issue that Dr Christie raised: social justice.

Mr Linkston spoke earlier about seeking best value in service delivery. However, the experience of what has been delivered under the banner of best value has not always been good. The issue is how we ensure that everybody in Scotland can expect and get the same level of service from public sector organisations.

Kaliani Lyle: There is a tension between having a local agenda for service delivery that reflects the needs of local communities and having a postcode lottery in service delivery. However, we are charged to consider how both can be done: delivering what local communities need in their particular circumstances; and delivering overall outcomes. That is one of the challenges, but it is endemic to the area that we are in.

Dr Wishart: One of the reasons why the committee has heard the word "outcome" so often this morning is that we determined early on that, rather than retread old ground and take the status quo as a template for tomorrow, we would first look at what was most desirable at the end of the road and then work out the best pathways to that.

Mary Mulligan: I think that it was Alex Linkston who referred to the good practice that there is in Scotland and how the commission would refer to that. Will the commission look beyond Scotland for good practice in public services?

Dr Christie: Yes. We would want to look at best practice. Our colleagues south of the border have asked us whether we want to look at some of the things that they are doing, and we will want to do so. We are also aware of various international reports and surveys. I would want to look in particular at northern European countries—Scandinavian countries—to see the sort of things that they are doing, whether they have any relevance for us and whether we can add that to the information that we will get from people in Scotland. We are anxious to look at best practice elsewhere and we will certainly try to do so within the timescale to which we are operating.

The Convener: It just remains for me to thank our witnesses for their time and the evidence that

they have provided. If nothing else, your commitment is confirmed by the time that you have spent here this morning. We realise that you are all busy people and we wish you well in your deliberations and evidence-taking sessions. We look forward to your report offering us solutions, given the situation that we face now and into the future. We wish you well. I hope that this will be the beginning of work with various committees of the Parliament in the next session.

11:56

Meeting suspended.

11:57

On resuming—

Petitions

Scottish Public Services Ombudsman (Review) (PE1342, PE1343, PE1344, PE1345, PE1346, PE1347, PE1348 and PE1349)

The Convener: Item 5 is consideration of eight petitions that call on the Scottish Parliament to urge the Scottish Government to commission an independent review of the Scottish Public Services Ombudsman to make it more accountable for its performance, including the extent to which its investigations are fair and robust, and to widen its remit so that it can enforce recommendations that it makes following investigations into actions of public bodies. The petitions to be considered are PE1342, by Phyllis and Robert French; PE1343, by Sandra Smith; PE1344, by Philip Hawthorne; PE1345, by James Smith; PE1346, by William Whiteside; PE1347, by Christina Cumming; PE1348, by Mr and Mrs Corbett; and PE1349, by Iris Innes.

I invite members to discuss the petitions and to consider options 1, 2 and 3, as outlined in paper LGC/S3/11/5/5.

Alex Johnstone: Before the discussion begins, given some of the correspondence that we have had on the subject, I draw to my colleagues' attention the fact that I am an elected member of the Scottish Parliamentary Corporate Body.

The Convener: Do you want to add anything further on the proposals in the paper?

Alex Johnstone: No.

John Wilson: I point out to members that, as a member of the Public Petitions Committee, I sat in consideration of these petitions.

The Convener: Okay. Do you have any comments to add to that?

John Wilson: No.

Alasdair Morgan: On the basis of what we have heard from the SPCB in Paul Grice's letter, but more particularly in view of what we heard from the ombudsman the last time he appeared before us, we should take no further action on the petitions and close them.

The Convener: Do members agree to Alasdair Morgan's suggestion, which is option 1, which is that we should close the petitions under rule 15.7 of the standing orders and take no further action?

Members indicated agreement.

Meeting closed at 12:00.

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