



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Wednesday 16 January 2013

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LOCAL GOVERNMENT AND REGENERATION COMMITTEE
1st Meeting 2013, Session 4

CONVENER

*Kevin Stewart (Aberdeen Central) (SNP)

DEPUTY CONVENER

*John Wilson (Central Scotland) (SNP)

COMMITTEE MEMBERS

*Stuart McMillan (West Scotland) (SNP)

*Anne McTaggart (Glasgow) (Lab)

*Margaret Mitchell (Central Scotland) (Con)

*John Pentland (Motherwell and Wishaw) (Lab)

*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Ronnie Hinds (Society of Local Authority Chief Executives)

Derek Mackay (Minister for Local Government and Planning)

David Martin (Society of Local Authority Chief Executives)

CLERK TO THE COMMITTEE

David Cullum

LOCATION

Committee Room 2

Scottish Parliament

Local Government and Regeneration Committee

Wednesday 16 January 2013

[The Convener *opened the meeting at 10:00*]

Decision on Taking Business in Private

The Convener (Kevin Stewart): Good morning. I welcome everyone to the first meeting in 2013 of the Local Government and Regeneration Committee. Happy new year to everyone—I am sure that it will be a fruitful year for the committee.

This is not the first work that the committee has undertaken this week. We spent a full day in Cumbernauld on Monday. I thank the Scottish Wildlife Trust, North Lanarkshire Council and, in particular, the good people of Cumbernauld and the other communities in North Lanarkshire who made the effort to engage with us on Monday. It was of great benefit and I hope that we can do more of that in future.

As usual, I ask everyone to ensure that they have switched off mobile phones and other electronic equipment.

Agenda item 1 it is a decision on taking business and private. Do we agree to take items 10, 11, 12 and 13 in private?

Members *indicated agreement.*

Subordinate Legislation

Public Services Reform (Planning) (Pre-application consultation) (Scotland) Order 2013 [Draft]

Public Services Reform (Planning) (Local Review Procedure) (Scotland) Order 2013 [Draft]

Planning etc (Scotland) Act 2006 (Supplementary and Consequential Provisions) Order 2013 [Draft]

10:01

The Convener: Items 2, 3 and 4 are three draft affirmative Scottish statutory instruments. The Minister for Local Government and Planning is here to give oral evidence on them. In the interests of efficiency, I propose that the committee takes evidence from the minister on all three at the same time. Members have copies of the draft orders and papers setting out their purpose. I welcome the minister, Derek Mackay MSP; Alan Cameron, policy manager for planning legislation at the Scottish Government; and Norman MacLeod, senior principal legal officer in the Scottish Government legal directorate.

I invite the minister to make any opening remarks.

The Minister for Local Government and Planning (Derek Mackay): I welcome the opportunity to debate the motions on the three statutory instruments.

The three statutory instruments before the committee are part of the “Planning Reform—Next Steps” package that I announced last March. There was some discussion of the issue in Parliament yesterday. The proposals are largely technical and apply to the Town and Country Planning (Scotland) Act 1997, as amended, with some consequential changes to secondary legislation.

On the first draft order—the Public Services Reform (Planning) (Pre-application consultation) (Scotland) Order 2013 [draft]—statutory requirements for pre-application consultation currently apply to applications for planning permission for a change in conditions on an existing permission for a major or national development. Those are known as section 42 applications. The draft order would remove the PAC requirements from section 42 applications for major and national developments.

The requirement for PAC in such cases has been repeatedly highlighted by planning

authorities and developers as disproportionate, for example, regarding the time and cost implications of 12 weeks of consultation and the holding of public events. It can also be misleading for the public, as the application relates only to conditions and not to the proposal as a whole.

Although changes to conditions can be a significant issue, it is not the same as considering the totality of a major development. The section 42 application process already provides communities and others with a suitable opportunity to make their views known to the planning authority, which is required to give those views due consideration before making a decision.

Having consulted on the need for change on a number of options, we concluded that the proposed amendment would be the most proportionate and straightforward solution. In the consultation on precise proposals, the majority of respondents supported the proposals. I am happy to take questions on the first draft order, before I move on to the others.

The Convener: Are there any questions for the minister?

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): Minister, was consideration given to making pre-application consultation discretionary for the local authority, rather than abolishing the requirement across the board? Concern has been expressed that in some instances—a minority of instances, I am sure—the conditions are such a substantial part of the decision-making process that it is important that there is the fullest consideration, by the widest range of people, of any variation in conditions.

Derek Mackay: Your question is pertinent. Consideration was given to that and other options in the comprehensive consultation. It was thought that our approach is proportionate and clear and that an approach that created categories that would require a second round of pre-application consultation would be complex and unnecessary.

The determining local authority will go through the whole planning process again if that is what is required and there is a change to the original conditions. The full process will be gone through a second time if there is an application to change the conditions. All the matters will therefore be reconsidered at the planning application stage, so people will be aware of that.

We propose a standard approach throughout the country that is proportionate and clear and adds no more unwelcome and unnecessary clutter to the planning system. Our proposed approach carried a great deal of support in the consultation.

Stewart Stevenson: Are you saying that, through the whole planning procedure, the public

and interested parties have the opportunity to intervene, make their views known and interact with the planning system on the variation of conditions, as they did with the original application? Are you saying that there is therefore no loss of opportunity to make views known and interact when a variation in conditions is proposed?

Derek Mackay: For the purpose of the planning application, yes, but—to be clear—for the purpose of the pre-application consultation, no, because the body of the application and the conditions have already been determined. However, the change would be presented in the renewed application and the normal mechanisms would apply.

Stewart Stevenson: For clarity, the pre-application process is about helping the applicant and the planning authority to shape what will happen, whereas the planning process itself is the one by which decisions are made. In the circumstances that you propose, there absolutely remains the opportunity to interact in the decision-making process for everyone who has an interest.

Derek Mackay: Yes, through the planning system. You are absolutely correct. Pre-application consultation the first time round for applications on the scale that we are talking about will continue and will help to shape the application and therefore the decisions later on.

Margaret Mitchell (Central Scotland) (Con): Can you give examples of the conditions that you are talking about? As you know, sometimes a condition is vital and is germane to the application being granted. I would have a great deal of concern if there was a move to change such a condition. Examples would be good, as would a clear indication of what would happen if a condition was the subject of a section 42 application in relation to which there would be no pre-application consultation. Where are the checks and balances?

Derek Mackay: If it is deemed that there is a requirement for flexibility in the conditions in an application, it can be part of the planning determination that further conditions could be considered. For example, the times of operation could be determined in the application or left for a future decision. I suppose that a condition on hours of operation is one that could be changed, in relation to a property. That could be determined at the stage of the original decision or it could be left to further negotiation and agreement between the planning authority and the applicant.

As the member is a Conservative, I am sure that she will appreciate that the requirement for a pre-application consultation second time round can cost between £1,000 and £10,000, which feels

disproportionate to change just one condition, rather than the whole planning determination. Applicants and stakeholders in the planning system have said that it is disproportionate.

If there is to be a variation of a condition, a renewed application will have to be made, which will result in the whole planning system being re-enacted to consider the change, and the local authority or planning authority will have to take all the matters into account. The kind of condition that might be changed might relate to hours of operation or an expectation that arises as a consequence of the application.

The process already happens, in that key Government agencies, other partners and planning authorities at present reconsider some planning obligations in light of the fact that economic circumstances have changed since planning applications were initially approved. Because economic circumstances have changed, planning obligations might no longer be as appropriate as they were when a planning application was first determined. However, the order focuses more on planning conditions.

Margaret Mitchell: I fully appreciate that there has to be a balance and that there is a good reason for introducing the measure, but I am concerned that it gives a carte blanche. I am afraid that your example of hours of operation does not give me much comfort, because that issue can sometimes be key to a local community's decision on whether it can compromise and live with something that it was previously against. For example, hours of operation might be curtailed so that they do not extend after 5 o'clock, to allow families to settle and not be disrupted.

I would appreciate it if you would look again at the issue. I understand that sometimes there are extenuating circumstances and that things change and conditions are varied or perhaps even removed but, to allay fears that the order could provide a loophole for abuse, will you consider providing some way of referring proposed changes that are of concern, such as changes to hours of operation in certain circumstances?

Derek Mackay: I hope that I can answer that query. The question to ask about the order is what value the pre-application consultation process adds to the overall planning system. The evidence that we have is that, for the kind of change that we are talking about, the process adds very little value. Many people enter such pre-application consultations with the view that they will be able to change the overall application, rather than the conditions that are to be varied.

The member should not be alarmed by the change, because all the factors that were raised during the consideration and determination, such

as the community or local view on a potential bad neighbour or the impacts of a decision, will have been taken into account in the first place and will be returned to if the planning application is reconsidered. Because of the scale of the decision, the local elected members who make it will still have to take all those factors into account when deciding whether to allow a change of conditions. It is not as if those factors and views from the community will be dispensed with; it is just that the statutory necessity for a pre-application consultation will no longer exist. I hope that any concerns that might have been raised earlier in the process, or in the planning process, will be addressed as part of the determination.

It is felt that the requirement was automatically put in the planning system simply as a consequence of the 2006 act, rather than because it was seen to add any value. I hope that I can assure the member that safeguards will continue in the planning system.

Margaret Mitchell: Is there a right of appeal if all those things do not come to pass and in the very rare circumstances in which an appeal might be necessary?

Derek Mackay: The right of appeal is complex and depends on the scale of the application and where the decision was taken. The order makes no change whatever to the right of appeal.

John Wilson (Central Scotland) (SNP): The minister has mentioned twice, as far as I can recall, that the majority of respondents expressed support for the change. Where did the majority of respondents to the proposal to change the legislation come from? Were they developers, planning departments, community councils, local organisations or community groups?

10:15

Derek Mackay: I will be happy to supply you with the details of who responded, which have been published in the consultation responses documents, but, to be helpful, I can generalise from memory—*[Interruption.]* The officials are giving me details; shall I go through them or would you rather that I generalised?

John Wilson: Please generalise, minister.

Derek Mackay: In general, planning authorities agreed with the approach and developers were broadly in agreement, too—in quite large numbers, in both cases. Responses from individuals were balanced. Consultants were in favour, and professional and statutory bodies' responses were balanced but broadly in favour.

Community groups and community councils generally disagreed, which I suppose reflects concern about losing out on an opportunity to input

into the process. Of course, their rights to input into the planning process are retained, but I suppose that they fear that they will miss an opportunity to input through pre-application consultation—that is the point that Margaret Mitchell helpfully covered. I argue that there is little proportionate value in pre-application consultation being part of the process.

Those are, broadly, the responses to the consultation.

John Wilson: Thank you. Your answer confirmed what I thought, which was that planning authorities, developers and other people with an interest in development would generally be in favour of the proposal, whereas community groups and community councils would be more concerned about a change to the pre-application consultation process, particularly in the context of proposed changes to conditions that the local authority has previously agreed.

What change to conditions might be subject to pre-application consultation, or will no change to conditions be subject to pre-application consultation? As Margaret Mitchell said, communities engage in the planning process at an early stage, by making representation to the local authority planning department and planning committee.

There might be conditions about times of operation, as you said. I am less worried about a 5 o'clock finish than I am about an 8 am start. If it was a condition that work would start at 8 am, but the developer then said that they wanted to start at 7 am in the summer, they would be proposing a fundamental change in the conditions that had been applied to the planning application. Would any proposed changes to conditions be subject to public consultation? I am less concerned about planning authority consultation than I am about the public's perception of their right to guaranteed consultation on any changes to the conditions that have been set out in a planning application.

Derek Mackay: Because of the nature of applications and the elected member input in the planning process, I would argue that there is public engagement. I am sure that you recognise that, from your local authority perspective. I think that planning authorities would take account of all the matters about which you are concerned.

I ask again: what extra value is given by a full pre-application consultation for a change in only part of the application? The full process lasts 12 weeks and generates costs for developers and planning authorities, so we must consider whether it is necessary.

I entirely understand your point about public engagement, but we do not want to lead people into pre-application consultation under the illusion

that they are being consulted again on the full planning application, when they are being consulted only on a variation in conditions which, as I said, will be fully considered by the planning authority, with all the usual mechanisms coming into play.

John Wilson: I am sure that many community organisations and individuals are well aware that, in such a consultation, only the proposed change of conditions in the planning application is subject to further consultation.

I think that you said that the additional cost to the developer of such consultation could be between £1,000 and £2,000. However, the Parliament and local authorities must ensure that communities throughout Scotland can have faith in the planning process. It is communities in Scotland who feel aggrieved and that might argue that the draft order is a developer's charter. Developers might agree to conditions in their original applications, knowing that they will be able to amend them at a later stage when they will not have to go through the pre-application consultation process. In that way, developers might try to circumvent issues that should be fully discussed with the public and local authorities before a decision is made.

Derek Mackay: That characterisation does not reflect the evidence that was presented through the consultation. Planning obligations are often revisited, for example because economic circumstances have changed or an issue that was deemed to be an appropriate planning consideration no longer applies. Planning decisions might be revisited for a number of reasons and the situation will not necessarily be as you described. That said, it is fair to say that not every developer plays by the rules.

We want to take a more proportionate approach to planning. The cost that I gave was just the cost of the process itself. Right now, if an applicant seeks to vary conditions that have been set out as part of planning consent, there is a delay of 12 weeks or more, and the second round of pre-application consultation could cost the developer substantially more. People might not think that they are interested in the costs to developers, but there is an impact on jobs and economic growth. Surely at this point in our economic recovery we should be doing everything that we can do to try to stimulate the economy, as long as what we do is proportionate.

I am not convinced that the proposed approach would have the negative consequences that you suggest it would. The evidence is that the current approach adds no value to the planning process, because concerns of the kind that you raised would be picked up in the planning process.

There was not a huge response from individuals and community councils, but some respondents were concerned that their opportunity to input into the process would be somewhat diminished. I argue that that opportunity is diminished by the fact that a second round of pre-application consultation does not add value, and I still expect communities' views to be taken on board in any planning authority's determination.

John Wilson: I was trying to express what I think is the view of many communities in Scotland, which is that the current system of determining planning applications disadvantages them and the proposed change in relation to consultation on variation of conditions would be a developer's charter.

You talked about changing economic circumstances. In how many applications would a change of economic circumstances be a reason to revisit conditions?

Derek Mackay: I do not want to indulge in speculation. I do not think that the draft order will lead to a flurry of applications; what it will do is ensure that people who go through the process do not have to bear an extra burden, which adds no value to the system for objectors or for applicants.

The Convener: If we recommend that the draft order is approved and it is subsequently approved by the Parliament, will the situation be monitored, to ensure that the new approach does not create the disadvantages that members expressed concern about?

Derek Mackay: Of course. This is just one aspect of the planning system, and all aspects of planning operation are monitored and remain under review. I am focusing on delivering a planned system, improving performance, delivering development, streamlining and simplifying the system and taking on board community opinions. There will be on-going monitoring of applications and indeed the nature of the planning system, to ensure that it is fit for purpose—you would expect no less. We will of course consider the impact of the change.

The Convener: Are there any other comments on the draft order on pre-application consultation?

Margaret Mitchell: In summing up, I think that we are concerned about the unintended consequences of what seems a reasonable proposition, so I hope that the committee will continue to monitor it. I hope that all members of the Parliament will draw on their local knowledge of what is happening with planning applications and variations of conditions to bring information to the committee to ensure that we have not created a loophole that was not intended.

The Convener: The next draft order is the Public Services Reform (Planning) (Local Review Procedure) (Scotland) Order 2013 [draft].

Derek Mackay: The draft order relates to applications with a right to local review of a decision rather than a right to appeal to ministers. Local reviews were introduced in 2009 and they apply where an application is for local development and is delegated to an officer for decision.

The aim is to put both types of case—those that are subject to local review and those that can involve an appeal to ministers—on the same footing with regard to time periods for challenging failure to determine a planning application. Currently, applicants can seek a local review if the delegated officer takes more than two months to determine an application. However, seeking such a local review is currently time limited. That means that, where an applicant waits for a decision from the officer, he or she could lose the right to local review on the ground of non-determination. In such circumstances, they would simply have to wait until the officer eventually issued a decision on the application. Alternatively, rather than lose that right, the applicant might seek such a local review despite the fact the officer's decision is imminent, needlessly starting a separate decision-making process.

Currently, where a right to appeal to ministers on the ground of non-determination applies, the applicant and the planning authority can agree to an extended period for determining the application and retain the applicant's right to appeal on the grounds of non-determination. That avoids the applicant losing such a right or being under pressure to exercise it prematurely.

The draft order will allow such an extension to be agreed where the right to local review on the ground of non-determination applies. Therefore, where the applicant is content that more time is required, they can stay in the application process for longer rather than starting a local review process, while retaining the right to challenge the failure to determine their application if a decision is not forthcoming after the extended period. The vast majority of consultation responses supported the proposed change.

I hope that that was clear and I am happy to take questions on the draft order.

The Convener: There are no questions for the minister on that order. The next order is the Planning etc (Scotland) Act 2006 (Supplementary and Consequential Provisions) Order 2013 [draft].

Derek Mackay: This draft order also amends the local review procedures, which replaced appeals to ministers in certain cases. It makes a number of clarifications and improvements to the

way existing planning mechanisms apply in cases where a right to local review applies, avoiding potential uncertainty about how the system works.

The changes that are involved are very technical. A number of the amendments clarify how mechanisms that specifically refer to appeals or appeal decisions apply where local reviews or local review decisions are involved: for example, provisions allowing the planning authority to return repeat planning applications in certain circumstances, including where previous applications were refused on appeal.

Again, I am happy to take questions on this draft order.

The Convener: There are no questions for the minister on that order.

We move on to the debate on motions S4M-05247, S4M-05246 and S4M-05245. No members wish to speak in the debate, so I invite the minister to move the motions.

Motions moved,

That the Local Government and Regeneration Committee recommends that the Public Services Reform (Planning) (Pre-application consultation) (Scotland) Order 2013 [draft] be approved.

That the Local Government and Regeneration Committee recommends that the Public Services Reform (Planning) (Local Review Procedure) (Scotland) Order 2013 [draft] be approved.

That the Local Government and Regeneration Committee recommends that the Planning etc (Scotland) Act 2006 (Supplementary and Consequential Provisions) Order 2013 [draft] be approved.—[*Derek Mackay.*]

Motions agreed to.

Town and Country Planning (Miscellaneous Amendments) (Scotland) Regulations 2012 (SSI 2012/325)

The Convener: We move to consideration of a negative instrument. Members have a paper from the clerk setting out the purpose of the regulations. The Subordinate Legislation Committee had no points to bring to the attention of the committee. There are no comments from members on the regulations. Are we agreed to make no comment on the regulations to the Parliament?

Members indicated agreement.

10:31

Meeting suspended.

10:36

On resuming—

Public Services Reform and Local Government: Strand 2 (Benchmarking and Performance Measurement)

The Convener: We move to agenda item 9, which is public services reform and local government: strand 2—benchmarking and performance measurement. I welcome Ronnie Hinds, who is a past chair of the Society of Local Authority Chief Executives, and David Martin, who is the immediate past chair of the society. Gentlemen, we have been waiting to hear from SOLACE on this issue for quite some time. Would you like to make some opening remarks?

Ronnie Hinds (Society of Local Authority Chief Executives): Convener, I believe that you have a note that we provided to the committee towards the end of last year that gave an update on various aspects of benchmarking. We have agreed on a little division of labour between David Martin and me. I thought that we might use that note as the script and give you an update, point by point, on where matters currently stand. Is that satisfactory?

The Convener: That is grand.

Ronnie Hinds: In that case, I will cover the note's first two items, which are on the data and the various benchmarking workshops that we are still running. David Martin will cover dealings with the Accounts Commission and the timing of the publication of the information.

I will keep this short, for members' attention. The data is now all in, as the note said. Since the data was received, a fair bit of work has gone on—to some extent it is continuing—on quality assuring the data to ensure that it is accurate, reliable and robust. As previously advised, it remains the case that, because of the timing of the provision of some data to various Scottish Government departments, not all the data will be available when we publish the information towards the end of February. However, we recognised that from the outset and we will just have to go with what we have at that point.

A workshop was held in November of last year and another is being held on Monday of next week. That workshop will be with what we might call the practitioners—that is, the people within local government who are expert in the subject areas—and its purpose will be threefold. First, we want to talk about the way in which the data should be analysed. Although that can be

expected to vary to some extent among councils, we are trying to put down some common denominators so that comparable forms of analysis are applied to the data so that the comparison point carries on beyond the data itself. Secondly, we want to talk about the way in which the data should be interpreted, because it will need to be interpreted within councils and for public consumption. Finally, on how the data will be reported, we now have a first draft of the public performance reporting aspect. We are seeking consistency among councils on analysis, interpretation and reporting.

That is where we stand on the data and the context in which it will be taken forward.

David Martin (Society of Local Authority Chief Executives): Let me pick up from that. As the committee will be aware from our previous conversations, we have tried to evolve and develop close working with the Accounts Commission and Audit Scotland. In particular, we wanted the Accounts Commission to have confidence in not just the quality of the data but the sustainability of the benchmarking project, so that it will continue to evolve as the years roll forward. As you will recall from previous conversations, the main reason for that is that benchmarking is about supporting improvement in local government services and about trying to encourage public scrutiny of councils' performance. Therefore, I am pleased that the Accounts Commission got to the stage, in issuing its December direction, at which it felt it appropriate to ask councils to take full account of the SOLACE benchmarking indicator project in their statutory performance reporting in 2013-14. That was an important milestone, so that has been a helpful conversation. We continue to talk to Audit Scotland and the Improvement Service about the sustainability of the data so that we can provide on-going information on benchmarking for Scottish councils.

You will recall from previous discussions that we talked about the right type of publication. We had hoped to produce our initial report by December. On reflection, we recognised that the end of February provides a better timescale for several reasons. First, we now have the Accounts Commission direction. Secondly, all councils were producing their individual public performance reports at the end of September and many local authorities will produce community planning performance reports of various types over the next month or so. Therefore, we believed that there could be some clutter effect if we launched the project in December.

Perhaps more important, publishing at the end of February provides a good timescale for building the sense among the Scottish media, the

Convention of Scottish Local Authorities and a variety of other stakeholders that we want proper scrutiny of the project. That means that publication will happen in the immediate aftermath of councils producing their budgets, which is another newsworthy item in terms of media scrutiny. Coincidentally, COSLA's annual conference takes place at the start of March, so we hope to align publication with that. Along with colleagues in COSLA and the Improvement Service, and with the full support of the Accounts Commission, we will publish the document at that time.

That is the background on timing issues and on our work with Audit Scotland and the Accounts Commission. I hope that that gives the committee an update on what we have been doing over the past couple of months.

The Convener: Thank you, gentlemen. Obviously, we have had evidence from others who have been involved in the process. Can you give us an idea of what SOLACE's role has been at each stage of the project, from its inception to the forthcoming launch?

Ronnie Hinds: In essence, SOLACE has led the project. The idea, if you like, originated within SOLACE, so we have led the project from the start. We commissioned the Improvement Service—as you know, because it has given evidence to the committee a number of times—for the obvious reason that it does what it says on the tin. The benchmarking project is quintessentially a piece of improvement work, so why not use the vehicle that was created for that? The Improvement Service has brought to bear its expertise, but SOLACE has had leadership and ownership of the project since the beginning and that will continue to be the case when the data goes public. Part of the communications plan will be to ensure that there is representation from SOLACE and from COSLA so that the public face of local government is closely associated with the project when it becomes a public matter.

The Convener: You have touched on this, but can you give us an idea of what interaction there has been with other stakeholders, particularly the Accounts Commission and COSLA? You have mentioned the involvement of the Improvement Service, but I would be grateful to hear whether you have anything to add about that.

David Martin: I will start with some comments on the Accounts Commission and COSLA. For 18 months now, we have worked actively on this project with the Accounts Commission chair, John Baillie, and with the controller of audit in Audit Scotland. When, along with the Improvement Service, I presented the project to the Accounts Commission in November, both the wider commission members and the chair were very clear that they welcome the fact that

benchmarking is effectively about self-evaluation and that the project has been driven by local government. When I gave evidence to the accounts commissioners back in November, I got a fairly tough time about whether the project could be sustained, so a key message from them was that they were particularly keen, as are we, that the project should not be a flash in the pan.

As you know, there has been a lot of effort over some time to get to where we are today, but we must ensure that we can sustain the collection and analysis of the data and continue to improve the indicators. It is quite clear that the first tranche of indicators is a best and reasonable fit in providing a snapshot of performance. We hope, as does the Accounts Commission, that we will get a public response that might lead to additional indicators or an evolution of the existing indicators over time, but we will maintain a core of data that will allow the media, individual communities, MSPs and any stakeholder who is interested to have a really good understanding of what is going on across the wide range of services provided by Scottish local government.

10:45

Although the Accounts Commission has been very supportive, it has also taken a critical and professional view. In its direction, it has—rightly, in my view—reserved the right to come back with another set of statutory performance indicators if it does not believe that we have delivered what we say on the tin. For a long time now, we have worked very hard to argue that the Accounts Commission's approach to SPIs should be much more about self-evaluation. Now that it has—if you like—held up its end of the log, it is up to us to do the same.

Ronnie Hinds might want to comment on what the COSLA leaders board has done.

Ronnie Hinds: About a year ago, we took to the COSLA leaders board a report on the project as it stood because we were beginning to see that something had to be discussed. We had spent the best part of six to nine months asking whether such a project could be put together and by then it was obvious that it could. As a result, we took the issue to the board—I apologise for not having the exact dates, but it was about a year ago—and it was very supportive and indeed has been ever since. We have gone back to the board for further support on at least one other occasion and COSLA has been actively involved in the discussions that I mentioned earlier about communications when the project goes live. Both COSLA leaders and SOLACE will have a role to play in the process.

The Convener: Can you explain to the committee the difference between the COSLA leaders board and the leaders meetings that take place in COSLA?

Ronnie Hinds: The COSLA leaders board is a smaller subset of the wider COSLA leaders meeting, which, as its name suggests, involves all 32 council leaders in Scotland.

The Convener: How many folk make up the COSLA leaders board?

Ronnie Hinds: From recollection, about 10 to 12.

Margaret Mitchell: In your opening remarks, you highlighted some of the reasons for the further delay in the publication of the benchmarking information; you mentioned, for example, the clutter, the statutory performance reports and some other report that was coming in. Is there anything else that you would like to add to that? You said that some Scottish Government data—I think that it was school consensus data—was not published until the end of December, and I would appreciate more information about that. Can that data be included now that publication has been delayed until the end of February?

Ronnie Hinds: As it happens, with regard to updating the position on some of the indicators that you have obviously been alerted to, I received an email only this morning about school leavers destinations. That is an example of data that is coming in at the moment.

I am not seeking to attribute any blame on this matter. When we took this on, we knew that the data that we would rely on would come in at different points in the year; as a result, you just have to pick a point at which it feels right to go public and have the best information available.

Of course, we realise that it would be better for things to converge at the right time. We are actively discussing with Scottish Government colleagues how some of the processes that produce data could be more finely tuned to what we are trying to do, and they have been very supportive of that approach. As David Martin has made clear, this is the best fit that we could have made at the time. I should also add that something like 95 per cent of what we want to be available will be available when we go live, and I want to assure the committee that there will be no huge glaring deficiencies in the data that we publish.

Margaret Mitchell: Is the end of February date in tablets of stone? Has the decision been made and are you going live no matter what?

David Martin: Yes.

Margaret Mitchell: Excellent. That is very good news.

What challenges and difficulties have you had to deal with in the development process? I suppose that the biggest question for the committee is whether elected members and officers have bought in to all this.

David Martin: There is no doubt that, as the committee is well aware, the journey has been a long one. On your question about buy-in, which I feel is a really serious one, my answer is not just yes but absolutely. There is no chief executive or leader of any Scottish council who does not want to do the best for their communities, especially in the current resource environment, and in most parts of Scotland the people concerned not only recognise that we should try to use this information in a diagnostic way to contribute to that journey but are passionate about doing so.

As always when we start to do things collectively and assiduously, there are obstacles to be overcome, but those obstacles have tended to be not about culture, attitude or commitment to this project but about data and the clunkiness of things being out of step.

We have called this the SOLACE benchmarking project, but it is actually a local government improvement project. The leaders board that the convener asked about considered the report, but it was also submitted to and endorsed unanimously at the full leaders meeting. As a result, the project has strong political leadership buy-in as well as chief executive and senior officer buy-in. We have been arguing for this for some years now—and now that we have got it we have to make it fly. I hope that in the months and years to come the committee will enjoy taking a constructive and critical look at what this information is telling us.

The only other point that I want to make is that although this has not yet been formally launched, we are actually using the information with various local authorities. For example, I have been doing some work with Dundee City Council as a result of an analysis suggesting that it is facing some of the same challenges that we have in Renfrewshire. That is happening a lot across Scotland.

Margaret Mitchell: That is very encouraging. Do you wish to add anything, Mr Hinds?

Ronnie Hinds: David Martin has covered the issue well. The only vignette that I might offer is that my own council leader is very exercised and interested about this; indeed, he is typical in that regard. I have shared—confidentially, I should add, because it has not yet been made public—a flavour of some of the comparisons that could be made between, in my case, Fife and other local authorities. As you would hope and expect, my council leader has in his role as political leader seen the value of such information, and I am pretty sure that that will be true across the country.

Margaret Mitchell: It was hoped that this exercise would cut down the number of returns that local government is required to make to the Scottish Government and other bodies. Given the delay in the publication, has there been any backtracking on that aim? In other words, have you had to submit returns that you would not have had to submit had all of this been published in December?

David Martin: Not that I am aware of. Most of the data is based on the local finance returns that councils generate. The other major source of information is the Scottish household survey, which is continuing to be produced. I do not think that the changes to the timescale have added to the administrative or return burden.

The Convener: I note your comment that chief executives and council leaders have bought into this. Of course, there are times when such people do not get their own way so how will you ensure that other elected members buy into it as well?

Ronnie Hinds: I dare say that we will all do different things; after all, there are 32 different councils. As a result, the chief executive community is aware that we have to have those discussions in our organisations.

For example, in my organisation, what we call the cross-party leaders group—which is perhaps not the best name for it, because they are not always cross—meets periodically to discuss subjects of mutual interest, and the agenda of the group's next meeting contains an item on benchmarking. I have made all the political group leaders aware that this is coming up, and we will need to discuss how the organisation will respond politically and managerially to the publication of this work. I imagine that similar initiatives are happening across the country.

The Convener: Thank you for that response, but how do you ensure that such initiatives happen in every council and that every elected member knows why this exercise is being done, its possible benefits and the value of undertaking the scrutiny? It is all well and good having buy-in from chief executives and leaders but, as far as scrutiny by audit committees and other council committees is concerned, if the members are not aware of why this is being done and what can be gained from it, it might not bring the benefits that we hope it will bring.

David Martin: That is obviously a risk, but it is unlikely that things will pan out in that way. When the information is produced and every Scottish council and every family of like councils are benchmarked—a challenging agenda in itself—every politician, no matter whether they be a backbench opposition member or the council leader,

will want to know how their authority is doing in relation to other local authorities.

I think that that will lead to enhanced scrutiny and more questioning from both elected members and members of the public. The other point is that the process now has a statutory framework because of the Accounts Commission direction, which is always helpful. That should not be the reason why we are undertaking the process, but it is certainly a helpful collar, if you like, for it.

Given the struggles with resources that administrations and oppositions have had to deal with for some years now, I think that elected members generally want best value. The benchmarking data set will help to address some of that. I speak mainly from my authority's point of view, but I know from talking to colleagues elsewhere that they share that view.

Even when the project is launched, it will be a work in progress. However, its data will permeate the continued dialogue at leaders meetings in COSLA and at a variety of training and learning events. I am confident that there will be on-going interest in what that story tells us.

The Convener: I am glad to hear that training events will be used to permeate the information. However, would it not be an idea to have some kind of roadshow throughout the 32 local authorities? That would not necessarily involve their own folk dealing with the training, but perhaps others going round and saying "This is why we're doing this work. These are the benefits it could have. This is the part that you have to play in this process."

Ronnie Hinds: That is partly the purpose of the workshops that I mentioned, the next of which will be held next Monday. The intention is to generate increased awareness and understanding of the process. The people at the relevant levels who come to the workshops will be emissaries in that regard when they go back to their local authorities.

The Convener: Stuart McMillan and John Wilson have supplementary questions on this issue.

Stuart McMillan (West Scotland) (SNP): Good morning, gentlemen. My question follows on from the convener's question. I suggest that the councillors who were elected for the first time in May last year should be one of the first groups of councillors to be targeted, so to speak, because they will have to pick up a lot more information in a short time. They may be more receptive to the benchmarking work, and their willingness in that regard—given that they are a new, enthusiastic bunch of people who have just been elected—may be beneficial to all 32 councils.

David Martin: I certainly agree with that description of new elected members, but I would not want to suggest that leaders are somewhat dyed-in-the-wool and resistant to change.

Stuart McMillan: I am not suggesting that.

David Martin: I know that you are not—forgive me for being slightly light-hearted about it. However, one of the things that has been a good signal for the project is how quickly leaders have got behind it, because they are committed to the same improvement agenda as chief executives and all council officers. I accept Mr McMillan's suggestion that it is a good opportunity for new elected members to continue the development journey that they are on. We will take that opportunity.

John Wilson: Good morning, gentlemen. I do not want to disagree fully with my colleague Stuart McMillan, but my perception is that some of the long-standing members of councils might benefit more from refreshing their knowledge about what we are trying to do with this process.

Ronnie Hinds referred to the workshop events—one was held at the end of November and one will be held next week—that will be attended by council representatives. What type of council representatives attended the November event and what representatives are likely to attend the next event? It would be interesting to get a flavour of who is going to the events and whether a cross-section of elected members is turning up. As the convener indicated, it is important that we go beyond council leaders debating the process and get it debated within the local authorities, so that all elected members buy into the process in some shape or form.

Ronnie Hinds: To clarify, the workshops are not for elected members; in essence, they are for the policy people in local government whose role comes closest to what the benchmarking project is about. Typically they are analysts and people who use data routinely in support of service improvement. That is simply a practical matter, because it would be something of an undertaking for all 32 councils to get together a group of people; we could not extend the training into all services because that would mean a gathering of hundreds.

11:00

The people to whom I referred as emissaries are officers, not members. With regard to members, I return to the comments that were made in response to the convener's question, which I think are right. Each of us has a role to ensure that councillors—in my case, 78 councillors—are fully briefed before the information goes live and becomes public. We will

all do that in different ways, but the purpose will be to ensure that they can scrutinise effectively using the data.

As chief executive, I do not want to be in a position of presenting for the first time to a group of, for example, scrutiny committee members, the benchmarking data and saying to them, "Here are some useful tools that you might use the next time you have a scrutiny committee meeting." I am taking the members through the process in a more measured way so that they become aware of the nature of the project as we go along, the data that is available and how they might want to fit it into the scrutiny process. A separate induction process is going on with elected members, but the workshops are not about that.

John Wilson: I am grateful for Mr Hinds's clarification on the definition of council representatives. I reiterate the convener's earlier point that it would be useful for the committee to know whether the induction training that is provided by the 32 local authorities is being taken up every elected member, so that they have the opportunity to understand fully where the process is coming from, where it intends to go and what we are trying to achieve.

It would be useful, through either SOLACE or COSLA, to get feedback about the training programmes that are in place and who is participating in them. I know that local authorities provide training programmes, but I also know that not every member avails themselves of the opportunity to participate in those sessions.

David Martin: The point is well made by the committee. The benchmarking project must ultimately be owned by all 1,223 elected members. I assure the committee, first, that although local authorities may train in slightly different ways, the benchmarking project will be a core part of the learning development activity for all elected members of Scottish councils. That might be done through seminars, for example. Secondly, the main aim of the project is to turn benchmarking into business as usual, so that we end up with, for example, the indicators that relate to children and young people being reported every six months to the children and young person's committee, which, of course, is politically balanced and carries out on-going scrutiny. That approach can be reflected across all data areas. It will take a little time, but we will achieve that regular scrutiny of activity. All elected members will see, understand and value the data. That is not instead of formal training, but in addition to it. Those two things together will lead us to a place where we will, I hope, be flattened in the rush for greater scrutiny and deeper understanding of what the data is telling us.

Stewart Stevenson: I want to talk a little bit about indicators and families. First, I note that Mr

Martin said that the indicators we have in the first tranche are a best and reasonable response. Mr Hinds said that 95 per cent of what we want will be available. In that context, I want to explore whether the indicators have sufficient coverage. In particular, I identified previously—this fits in with what Mr Martin said about the data set assisting best value—that the indicators do not cover procurement, which is a substantial part of the expenditure undertaken by local authorities. What plans are there to extend and prioritise the extension of the indicators?

David Martin: There are national best practice procurement indicators that are not analysed through the SOLACE benchmarking project, but are collected and analysed by the public procurement reform board.

The benchmarking project is not the only form of data collection and analysis that local authorities are involved in—there are a whole suite of them for different purposes. We always took the view that launching the project successfully would lead fairly rapidly to an evolutionary process, and our feeling, having developed the conversation with the Accounts Commission over the past year, is that the range of indicators that we have is good enough for now.

The intention is that we will continue to evolve the data suite. For example, there is a major public sector reform agenda around health and social care integration. One of the debates is whether the indicators adequately cover that. Of course they do not. We need to reflect on how we will evolve in that area.

The data suite covers local government reasonably well. It covers the services that, from feedback from the public, we know people are most concerned about and most interested in. We have launched the project on that basis, but we are under no illusions; it is not yet a perfectly crafted creation.

I mentioned the sustainability of the data. SOLACE will keep an active interest in that as we move forward. It will be on our office bearers' agenda regularly—in fact, it is a standing item on their agenda at present. We will develop our discussions with COSLA officers to ensure that COSLA is taking a full role in the benchmarking project.

Of course, the Improvement Service, which is a creature of local government, will continue to provide support. Audit Scotland has also indicated that it is willing to produce some resources to help us with both the rigour of future data collection and the number crunching in the project itself, although we have yet to pin down the exact nature of that support.

My final point, which I should have made earlier—forgive me, convener, for not doing so—is that one of the reasons for continuing dialogue with Scottish Government colleagues is to ensure that we narrow the window between when all the data becomes available and when it is published. The historic time lag in the data is unhelpful to everybody, so we are trying to get the data out as quickly as we can.

If you put all those things together, you get a sense of how we will try to continue to evolve the benchmarking approach that we have launched.

Stuart McMillan: Mr Martin's response was interesting. It struck me that the project is an evolving beast and that there will be changes every year. What percentage of the data sets does he anticipate will change annually? If the Parliament passes legislation and, as a consequence, things become different, the data will not stay the same for ever.

Ronnie Hinds: I might have a go at answering that question, although I do not think that I can answer in specific terms. The best answer that I can give is that we need to be flexible and respond to circumstances. Some indicators may come in and some may fall out. That is just the open-ended approach that we need to take.

At the beginning, we took a strategic decision not to overload the indicators with everything that we could find that could be measurable. We wanted a broad spread of all services. That suggests that the data sets will be susceptible to change over time, because we have not tried to populate each and every area.

The important point about that approach, the fruits of which we are beginning to see, is that it made the project manageable and established the principle of benchmarking. The practice of benchmarking is what is really important, not the specific indicators. We have done our best to choose the right indicators and we may change them over time, but embedding the practice is fundamental.

There are two ways in which I envisage that embedding of benchmarking going forward. One is that we will deepen the benchmarking. The indicators are, by their nature, very high level but, underneath them, there lies a great deal of activity that was already taking place within individual services, such as education and transportation. Connections are now being made between that data, which was episodic, and much more structured and coherent data that sits on top of it and will drive it for the future. That is a highly significant part of the project.

We will extend benchmarking into other areas. In previous evidence, the minister touched on that when he talked about community planning and

outcome agreements. To go back to my point about embedding the practice, we hope that, if we embed it, it will extend into other areas by itself. That is certainly the intention.

The benchmarking project is applicable to the single outcome agreements because we have the same raw materials. There are broadly comparable measures across Scottish local government and the wider public sector. The practice would then be driven into those areas.

The Convener: I am sure that we will come back to that.

Stewart Stevenson: It is clear that the data are important. Without their being normalised and compared, it is not possible to start the benchmarking. However, in the discussion, we hear about the data; we hear little about the benchmarking and, in particular, what you will use it for.

Is the selection of those indicators sufficient to capture enough of the activity and the expenditure in local government to lead to the comparisons that you will make and learn from—that is, the benchmarking—and the kind of changes that are step changes rather than merely incremental ones? If you are undertaking a major investment of time and effort at every level for a significant project, presumably you expect significant outcomes.

David Martin: We certainly hope so. The question has several parts. First, we think that the range of the data and its coverage of expenditure are sufficient. Expenditure on secondary schools, adult social care and children accounts for the biggest chunks of money in local government, and the indicators cover those areas.

It is important to point out that the indicators are based on local financial returns and that that data is collected every year, so even if we evolve the project, the raw data for the indicators that we originally looked at will still be there. It is possible to track data over a long period because of that. I sense that that is one of the reasons behind the committee's questions on the process. If an indicator moved 20 per cent every year, then in four years' time we would have quite a different set of benchmarking data from where we started. I do not think that the evolution of the process will lead to such a magnitude of change. However, the raw data exists in a time-series form that allows us to go back and look longitudinally at any area.

The issue of step change and transformation is as much a matter for the individual councils as it is for the benchmarking project. What is done with the data is primarily a matter for individual councils, but I suggest that it is increasingly becoming one for community planning partners, too, through the community planning partnerships.

Stewart Stevenson: You seem to stress the longitudinal comparison, but I would have thought that benchmarking was about horizontal comparison.

David Martin: It is both.

Stewart Stevenson: Aye, but which is the driver? Is it your understanding that the use of the indicators and benchmarking is about a council identifying that it could do better in an area of activity because it can see that a similar council is doing better in that area and that it can learn from that? Is that what you mean when you talk about benchmarking?

Ronnie Hinds: It is about both the horizontal and the longitudinal aspects. However, I think that I understand the point of your question. We have had longitudinal data for quite a time now.

Stewart Stevenson: Exactly.

Ronnie Hinds: Each council is therefore capable of seeing whether it is on an improvement trend compared with where it was the previous year or earlier. However, that process has taken us only so far in terms of improvement. The added value of the benchmarking project is specifically that the combination of latitudinal comparisons with longitudinal is quite potent. The novelty that the benchmarking process brings is very much the latitudinal comparison.

I can give you a flavour of the process that might help to convey its power. As David Martin said, we can look at the information that we have before it is perfectly refined, so I can look at my council's information and see that the costs that we incur for looked-after children seem disproportionately high compared with those that are incurred by other councils. I could never see that before. I could see that the costs were coming down year on year, but I could not see whether that was sufficient. Of course, the budget pressure tells us that it would be ideal if we could reduce the costs further without that having a discernible impact on the quality of service. However, the comparison of costs for looked-after children illustrates the power of the latitudinal comparisons that the benchmarking process gives us. When that kind of information becomes public and routine, as David Martin put it earlier, that will be a step change in improvement.

Stewart Stevenson: There is a closed set of 32 discrete councils. What steps will you take in future to extend the ability to benchmark outside the set, perhaps with local authorities elsewhere in the United Kingdom that might be similar to those here, or beyond the UK, where similarities might be more difficult to establish?

Ronnie Hinds: My honest answer is that we should walk before we run.

Stewart Stevenson: Oh yes.

Ronnie Hinds: The first step is to get the benchmarking families in Scotland established, because that is a piece of work that we have not yet fully addressed. That is how we will embed the practice, as I said earlier. There is quite a piece of work to be done to get that sorted. I can come back to that, if members are interested.

The point was made in our earlier discussions that the most obvious comparators for some councils may lie outwith Scotland. Some of the city councils would probably take that view. Nothing that we have done precludes that view being taken, but our focus up to this point has very much been on getting the benchmarking process well established. I come back to my point about practice, because once the practice has been embedded, I would expect people to say naturally that they could see more or additional value arising from comparisons with a city in England as opposed to a rural council in Scotland.

11:15

Stewart Stevenson: Finally, can you help us to understand your work on benchmarking families? I understand that it is initially about finding appropriate groupings in the 32 councils that are reasonably comparable.

Ronnie Hinds: We did some analysis recently that indicates to me that the best way to take forward the work on families is to recognise that the data requires to be filtered. For example, the correlation analysis that we have carried out on the educational attainment data tells us unequivocally that over 50 per cent of the variation in educational attainment between the 32 councils can be directly attributed to social background factors, particularly deprivation. We all know that intuitively, but it is good to see it established quantitatively by that kind of analysis.

The analysis suggests that a council will choose its closest kin for families groupings by assessing which council is nearest to it on the deprivation scale, to put it crudely. That will mean that benchmarking for those families will involve addressing the more personal services, such as education and social work. For infrastructure services, however, such as roads, transportation, waste management and so on, the factors that have the strongest correlation with performance turn out not to be about deprivation but to be about urban sprawl and so on—geographical factors.

That does not sound like rocket science, but when we see the measures, they are unequivocal. A council might therefore have a different family for those purposes. We thought initially that any particular council would be in one family and would talk about everything in that family.

However, it probably does not make sense to do that, because the council would be having the right conversation with the wrong people. We therefore probably have to think again about that, without overcomplicating it, and consider having two or three groupings of families, so that each council has six or seven peers.

David Martin: It is right and appropriate that benchmarking family groups is part of the agenda, but most chief executives and all leaders want to know who is best at everything, and I want to know how we get there. The benchmarking families issue is a contextual issue that may give some helpful insights into the pace of change that can be achieved and what can be done. However, if Moray Council, for example, is doing something interesting for the bottom quintile of teachers in secondary school, I would like to know what it is. If the benchmarking indicators pop that up, the question then is whether it is transferable. I think that we will see a trading-floor approach in that respect to the benchmarking process across Scottish local government, which I think will be healthy.

John Wilson: I want to find out where we are on the benchmarking families and whether local authorities have bought into the concept of using indicators to decide which family they go into. As Mr Hinds indicated, some local authorities will be in one family in relation to educational attainment but in another in relation to the delivery of social work services. What discussions are taking place with local authorities and individual departments to ensure that they feel that they are in the right family according to the indicators?

Ronnie Hinds: The analysis that I referred to a moment ago has only recently been done. We will now bring that to bear in a paper that we will take to the next SOLACE branch meeting at the end of this month, which will make some suggestions along the lines of what I have said here this morning. The analysis really speaks for itself, so it should take some of the difficulty out of the discussions on families. If we tried to impose family groups on the 32 councils, that would be resisted. We are not in a position to do that in any event. We are a professional association and we do not run the 32 councils. There must be some voluntariness about the process. However, when the information that is presented to a council suggests clearly that the commonality between it and six other councils is as stark as it is according to deprivation or geographical factors, the conversation on the families will be much easier.

John Wilson: What is the timeline for establishing the families? You said that the data will be released next month. The information on how to do comparisons across families will be

interesting for many local authorities and individuals within them.

Ronnie Hinds: There is no specific timeline just now. We took a decision last year to postpone the question of the family groupings, because we wanted to give absolute priority to the publication of the data. We are now coming back to the issue of the family groupings this month, and we will establish a timeline at the January meeting. However, I do not have the timeline at the moment, and I could not give it anyway on behalf of all 32 local councils, not having had that conversation with them.

John Pentland (Motherwell and Wishaw) (Lab): Good morning, folks. Now that the date has been identified for the launch of the project, is the committee to assume that local government is ready to meet that challenge? Obviously, there will be challenges when the launch takes place, especially key political and media challenges. What will SOLACE's role be in dealing with them?

David Martin: You are right that there will be challenges. I think that there will also be quite a lot of opportunities, but you are right to identify the fact that there will undoubtedly be some media and external interest in the project. However, I think that that is positive. Even if we were not in the current financial climate, it would still be important to be able to account for variations in service performance across Scotland.

The project will promote several debates, but one of the main ones will be around one person's postcode lottery being another person's local variation policy choice. I think that making that issue explicit is a good thing. We will no doubt have discussions on that at local, regional and national levels.

You asked whether we were ready for the challenge. We are as ready as we will ever be. Inevitably, there will be a need to respond to queries from the media, citizens and communities.

SOLACE's role will be as it has always been: it is the professional association for chief executives, but it is also responsible for chief accountable officers. We are clear that we are where the buck stops for performance improvement. We are all professionally and personally committed to that.

We talked previously about the COSLA conference and how there is an opportunity for it to be seen very much as of the local government family and politically led. Committee members made points in earlier questions that indicated the importance of that. I would expect local politicians—conveners and leaders—to be in the van of responding to press queries about the launch. I am hopeful, because I am a glass-half-full person, that once the immediate burst of interest has passed, we will get down to the

improvement agenda. Part of the challenge will be local government being as good at putting the improvement stories into the media in a positive way as in responding to the immediate media burst of interest in what might be some negative information. I believe that it is possible for the third estate in Scotland to accentuate the positive. We will try our best to ensure that.

John Pentland: The focus will obviously be on local government at the launch, but could any other key organisations play a part in the launch? Do you think that there is role for the Scottish Government or the Scottish Parliament in that regard?

Ronnie Hinds: My answer is yes on both counts. We certainly hope that our engagement with the Scottish Parliament on the project, which has been with this committee, will stand both the project and the improvement agenda, when we come that stage in the proceedings, in good stead. We have had discussions with senior civil servants, too, not just about the project and its sustainability but about how we deal with issues around its launch and any media or public interest that that might generate. We have worked hard to ensure that the key stakeholders, including the Scottish Government, are well sighted on this in order that no divide-and-rule game is played when some quite difficult information becomes public.

John Pentland: Are there other key organisations in that regard?

Ronnie Hinds: If you mean from other parts of the public sector, there are none in relation to the launch of the information as such. However, on the longer perspective, some of what we are trying to do is already in place in other parts of the public sector. It is not prominent or high profile, but there is good data, particularly around the health service, as you might expect, because it provides a universal and largely uniform service. We would like to see a coming together of public service data in that respect in the longer term, not just because of the point that was made earlier about community planning and single outcome agreements but because it would provide mutual support.

Anne McTaggart (Glasgow) (Lab): On that final point, it might also be useful to speak to citizens advice bureaux about the information that they collate. All the bureaux now use one computer system and have access to national data.

I should say good morning, although it now feels like the afternoon, or maybe the evening. I want to go back to community planning, which you mentioned earlier, but I want to drill down a bit more into it. What implications does the project have for the community planning partnerships?

David Martin: The implications are positive. One or two of the indicators are cross-public agency, such as those on absence and attendance, so there is an immediate opportunity to work on corporate indicators across the public sector organisations—and for that matter third sector organisations and perhaps private sector bodies—that are involved in community planning partnerships. Mr Hinds's point about bringing the approach into the single outcome agreements is powerful. If we have clear guidance on the national priority areas for community planning and on outcomes, measures and milestones, then, when the community plans are submitted to the Scottish Government and discussions and agreement take place, we will end up with a fair degree of consistency in the local outcome indicators and measures over a three-year period.

As Ronnie Hinds said, we need to walk before we run but, if we build confidence in the benchmarking approach, that might lead to benchmarking across similar community planning partnerships on the range of indicators that we have mentioned. The pilot work that Audit Scotland is doing with three community planning partnerships is exploring that. I am optimistic that we will end up taking this philosophy and approach into community planning partnerships.

Anne McTaggart: Is SOLACE working with community planning partnerships, or is it only Audit Scotland that is working on the pilot projects?

David Martin: All 32 chief executives are at the centre of the community planning partnership process in their local authorities and with their political leaders. Therefore, at local level, we are in it up to our oxters. More generally, SOLACE has for many years been a strong advocate of community planning in Scotland and we are committed to ensuring that the current approach is as successful as possible; that will include, in time, the comparison of performance between partnerships.

Ronnie Hinds: Our focus with the current piece of work is on proving the concept. That is important. Once that is done, we can move confidently to discussions with a wider set of people, particularly those who are involved in community planning. However, even in advance of that, we can see connections between the benchmarking work and some of the work, with which the committee is no doubt familiar, that is beginning to arise in response to the general public services reform agenda. That has four pillars, one of which is work on prevention.

To illustrate my point, some of the work that is being done on the early years readily lends itself to the benchmarking approach. Increasingly, the view is that there is a science around that—not

necessarily an absolutely precise science, but nevertheless a good one—and that suggests that there is a standard that early years interventions should meet. Therefore, the data that is being gathered on that should be nationwide data.

Members will be able to see the argument beginning to mount. If we had nationwide data that was collected and acted on consistently across the country, we would expect benchmarking to be part of that. If some areas are making more progress than others on the early years, we would want to know why, and the benchmarking approach is a good way of finding that out. We are not yet at that stage, because the two agendas are running concurrently, but I envisage that, at some point in the not-too-distant future, they will come together.

Anne McTaggart: I hope that that will be soon.

John Wilson: I have a couple of follow-up questions. We have heard that the aim of the benchmarking process is to allow local authorities to evaluate the cost of delivery of services. Mr Martin referred to best value for local authorities. Could either of our witnesses give a definition of the term “best value”? When we took evidence from COSLA in November last year, Councillor Cook indicated that some local authorities might decide to deliver services that seem to have a higher delivery cost than comparable services in other local authorities in the family grouping. How do we get across the message that local authorities are not looking at benchmarking as a way of comparing the cost of delivering services and finding the cheapest delivery mechanism, but using the process to deliver best value to the communities that they represent?

11:30

David Martin: I will have a go at answering that. The statutory definition of the term “best value” is about continuous improvement. The issue for us is that the statutory definition is silent on choice. One important element of the benchmarking approach has been explicitly to have indicators that measure cost and outcome or output. For example, when we look at the cost per primary or secondary school pupil, that sits alongside information at a local authority level on pupils’ attainment and achievement so that we get a much more rounded picture and therefore a better debate and discussion about the levers for change and improvement.

When you see the published document—we will perhaps have a chance to debate it again in future—you will find that we have tried to theme the indicators around things such as children and young people. One reason why there is so much commitment to the approach is that, for many years, we have been bedevilled by cost-only or

input-only measures. We are now trying to move the debate forward and include a wider range of the factors that are involved in local authority decision making. That will assist with dealing with the challenge that was mentioned of not just knowing the cost of everything and the value of nothing.

John Wilson: I seek further clarification in relation to outcomes versus outputs. I have been around long enough to know that there can be many differences between what are set as outcomes and the eventual outputs. Given what the Scottish Government and local authorities are looking for from the benchmarking tools that will be made available in relation to the delivery of services by local authorities, would the best measure be outcomes or outputs?

Ronnie Hinds: I see no reason why it should not be both. That is the practice. We can compare anything with anything so long as we have the appropriate data and analytical capability and we are clear about what we are trying to achieve. If what we are trying to achieve could be designated as an output, we can apply the approach to that. A lot of the current work could probably fairly be described in those terms but, equally, we could do it for outcomes. If, for example, we apply the approach to community planning, we will increasingly move to working on outcomes.

John Wilson: I thank Mr Hinds and Mr Martin for their responses, and I look forward to the further debates on single outcome agreements that local authorities will no doubt have with the Scottish Government.

Stuart McMillan: I want to follow up on Mr Martin’s point about looking not only at the cost but at wider best value. Are there any European angles? Are there any impediments from Europe or has there been any encouragement to look at the issue from a different perspective?

David Martin: We have not as yet taken the benchmarking agenda beyond the 32 Scottish councils. It is fair to challenge us to consider international comparisons that we can learn from, but so far we have not explored that dimension in the benchmarking project.

Benchmarking or similar learning is being considered across a range of public policy issues on which local government is at the centre. For example, Mr Hinds mentioned the early years. A lot of the work that is being done by local government, the Scottish Government and the health service on the so-called early years collaborative is precisely about looking at the international experience and trying to find out what programmes work best across the world and how they can be imported into a consistent application, at scale, in Scotland.

The benchmarking project has not included any international comparisons. Members made the point earlier that looking south of the border or in the United Kingdom as a whole might be a good next step, and individual councils are doing that. The project is about making a good start. In time, we will explore whether we can learn anything from other parts of Europe or perhaps more broadly. I reassure the committee that many aspects of local government work involve international comparison and are being driven by that comparison—just not this particular project so far.

John Pentland: As chief executives, you will both be aware that we are living in a financial climate that is not very strong. With the introduction of benchmarking, a bit of competition may happen. Working on a restrained budget, do you as chief executives see other services being diluted in the aspiration to match benchmarked services with another local authority in your family grouping?

David Martin: It is essentially a matter of local political choice. The benchmarking project will provide better information to allow politicians to make those decisions. I am not trying to duck the question—that is genuinely what the data is for. Officers will make recommendations, but one local authority may decide to put a higher priority on older people than another local authority, which may focus on children and families, for example. That is perhaps a bad comparison, because choosing between those options would be a real tug of war.

The benchmarking data will help to sharpen up political choices and it will challenge people such as me and Ronnie Hinds in trying to work out where the best practice might be or how other authorities are approaching particular problems. The data will help to empower politicians to provide part of the response—a better response—to the financial challenges that you mentioned.

Ronnie Hinds: I see the data as having exactly the opposite effect to what Mr Pentland described. We have to make the choices now anyway, and we have to make them blind. Politicians are making choices about protecting areas of service that are a priority for the council, and of necessity—because of the economic and financial context that Mr Pentland mentioned—another area then has to bear a bigger burden in terms of reductions. We do the best that we can to ameliorate the effects of that, but we are doing it without the benefit of benchmarking information.

If the political priority is, let us say, the protection of front-line education services and if as a consequence there has to be a bigger service reduction somewhere else—in transportation, for example—it might be that we can use the

comparative data to advise the politicians that there is scope to make reductions because in transportation costs we are already sitting higher than the average or in the wrong place. Likewise, we could give advice about the need to protect certain areas. Because putting money into an area is not the same thing as giving it a priority, there may be scope for making efficiency savings in a protected area, just as there is scope in other areas.

The benchmarking data will give us insight into all those choices. At the moment we make choices through political decision-making and with some information to hand. Benchmarking will give us a much finer tool for such comparisons. I hope that it will protect services rather than jeopardise them.

Margaret Mitchell: Out of interest, has the proliferation of freedom of information requests helped local authorities to take on board benchmarking? With FOI requests, questions are being asked and comparisons are already being made across councils in a rough—not detailed—way, whereas benchmarking will be done in an organised fashion, and the analysis will, we hope, be spot on eventually.

David Martin: FOI requests have not increased the commitment of local authorities to self-evaluate and self-improve at all. FOI is part of a context of encouraging free access to public information. Certainly, my experience is that all councils are committed to improve services in any case; the benchmarking approach is helping us, as Ronnie Hinds has mentioned many times, to do that.

Forgive me for putting it this way, but it would be surprising if FOI requests to councils were the driver for performance improvement in local government. For many years, councils have been continuously improving in a whole variety of ways. FOI is merely a context; it is not a driver for performance improvement. That is my view.

Ronnie Hinds: David Martin and I have maintained a united front and we will continue to do that, but I have a slightly different perspective on that point. When the project started, the intention was that chief executives and their chief officers would use the information in camera. For example, I would get information on 31 other councils and I would sit down with my management team, as David Martin has already described, and say, “What is going on here? Why do we look like this when everybody else looks like that?”

It did not take us long to realise that that is not the most powerful way to use the data and that public transparency is actually an essential element of what we are trying to do. I do not know the extent to which our thinking was influenced by

the prevalence of FOI requests, but it is very much of its time. It did not take us long to come to the view that the data has to be public. It was not a hard decision to make.

John Wilson: How much work has been done to ensure that the data that is collected is comparable across the 32 local authorities? Was much work undertaken to ensure that what is being collected and reported on is comparable information? Based on Mr Hinds's comment, it might be that, previously, you were considering information that was not collected or reported in the same way. How much confidence can we have that the data that is presented will be comparable?

Ronnie Hinds: The short answer to the question of how much work was done is scoons: we have done an awful lot of work on it. Your question is well put, however. The test that we have to pass if the information is public is much more stringent. I do not believe that what goes public at the end of February will be 100 per cent accurate in every respect—and I would be pretending if I said that it will—because it is the first iteration of a piece of work of this nature.

We will learn as we go. Part of the improvement will be that, if there is any suggestion that the data is not 100 per cent reliable, we will make sure that it is so the next time around. That is what continuous improvement means.

John Pentland: Mr Hinds, when I asked whether benchmarking could dilute other services, you said that you could see it as being something that could be worked on. Are you saying that, if an authority has a high benchmark in one area and a low benchmark in another area, it could forgo its high benchmark to subsidise its low benchmark?

Ronnie Hinds: No, I am saying that having the information allows the choice between those two areas to be made on a more informed basis but that, ultimately, it is a political choice.

If the information shows that a council is sitting at the high end of the cost spectrum for a particular service, the members can make a choice to continue to do that. The information is not telling councils that they are inefficient; it simply says that the consequence of the choices that they are making is that they are spending more money on one service than on another. It might be that, as long as they are not being inefficient, they will continue to do that. All sorts of choices can be made; the information gives people a better basis for making them.

The Convener: Thank you for giving evidence today, gentlemen. You recognise the interest that the committee has in this project, and we will continue to keep an eye on what is going on. It would be extremely helpful if, once the launch takes place, you could write to us to let us know

what is going on. In addition, it would be useful to get an indication of what is happening at council level. Speaking for myself—I cannot speak for anyone else—I would be interested to see what training is taking place. If we could find some mutually agreeable time to visit in order to see that, I would be interested in doing that—I see that other members would be interested, too.

David Martin: I am sure that we could arrange that. I thank the committee for its continued interest in this important matter.

The Convener: As previously agreed, we move into private session.

11:44

Meeting continued in private until 12:57.

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