



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Wednesday 1 May 2013

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**Wednesday 1 May 2013**

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**LOCAL GOVERNMENT AND REGENERATION COMMITTEE**  
**13<sup>th</sup> 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:**

Councillor Michael Cook (Convention of Scottish Local Authorities)

Barbara Lindsay (Convention of Scottish Local Authorities)

Derek Mackay (Minister for Local Government and Planning)

David Martin (Society of Local Authority Chief Executives and Senior Managers)

Mark McDonald (North East Scotland) (SNP) (Committee Substitute)

Councillor David O'Neill (Convention of Scottish Local Authorities)

Andrew Robertson (NHS Greater Glasgow and Clyde)

Adam Stewart (Convention of Scottish Local Authorities)

Pat Watters (National Community Planning Group)

**CLERK TO THE COMMITTEE**

David Cullum

**LOCATION**

Committee Room 1



## Scottish Parliament

### Local Government and Regeneration Committee

*Wednesday 1 May 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 13th meeting—I hope that it is not unlucky for some—in 2013 of the Local Government and Regeneration Committee. As usual, I ask folk to ensure that their mobile phones and other electronic devices are switched off.

Under agenda item 1, do we agree to take item 3 in private?

**Members** *indicated agreement.*

**The Convener:** Do members also agree to consider a draft of our committee's annual report for 2012-13 in private at a future meeting?

**Members** *indicated agreement.*

## Public Services Reform and Local Government: Strand 3 (Developing New Ways of Delivering Services)

10:00

**The Convener:** Item 2 is our final oral evidence session on strand 3 of the committee's inquiry into public services reform—developing new ways of delivering services. We are taking evidence first from the Convention of Scottish Local Authorities and the Society of Local Authority Chief Executives and Senior Managers. I welcome Councillor David O'Neill, president of COSLA; Councillor Michael Cook, vice-president of COSLA; Barbara Lindsay, COSLA's deputy chief executive; Adam Stewart, COSLA's policy manager; and David Martin, the immediate past chair of SOLACE and the chief executive of Renfrewshire Council.

Welcome. I invite David O'Neill to make an opening statement.

**Councillor David O'Neill (Convention of Scottish Local Authorities):** Thank you, convener. If we had been aware that this was the committee's 13th meeting, we might have asked for a delay and come to the 14th meeting instead. However, here we are.

I have a prepared statement, which I am happy to read to you. We are pleased to be here, as this is an important opportunity to share with you our vision for how all public services—not just those in local government—can improve outcomes for communities and reduce inequalities throughout Scotland.

That focus on improving outcomes drives everything that we do in local government. It is the starting point for all the work that councils do in focusing on best value and continuous improvement. Importantly, it is also the touchstone for the reform that we seek across all public services.

Scotland needs more locally focused and joined-up services like never before. Demographic change means that demand is growing, although budgets are reducing. Major new challenges are emerging, such as the hugely damaging consequences of welfare and benefits reform. Deep-rooted social problems mean that up to 40 per cent of public spending is still being used to address negative outcomes for a small proportion of the population.

All that means that councils have been thinking and acting very differently in how they plan and deliver services. That is not just our view. In its

most recent annual overview, Audit Scotland recognised that councils

“have coped well with the financial pressures of recent years”.

In our written evidence, we have provided a flavour of the many changes that are taking place nationally and locally across local government and among the many partners in the public, private and third sectors. That includes a place for specific projects such as shared services when the business case is sound, although they should not be taken to be the solution in themselves.

Despite all that work, a bigger reform challenge remains. The task is to improve outcomes and reduce demand, not just in councils but across all public services. If we focus only on individual parts of the public sector, we will miss the opportunity for a much more radical impact on outcomes.

Our plea today is for the committee to think ambitiously in terms of the whole public sector. We want to use the evidence session to lay down a challenge, albeit a positive one, about what needs to happen to integrate services. In local government, we have always argued that improving lives in our communities requires all public agencies to be empowered to work together to focus on prevention, early intervention and local place. Sometimes, that has been at odds with voices in the Parliament or elsewhere, which have focused on structural change or ring fencing as the only way to improve.

We are pleased that the wider debate has moved on and that outcomes are increasingly the driving force for public services. Much of the evidence that the committee has received reinforces that point.

Councils alone cannot deliver the scale of change that we aspire to. The reform that we are talking about would mean all parts of the public sector focusing on the priorities of local areas and using the totality of the resource to address them, regardless of organisational boundaries. That is why the whole of local government has committed to a step change in community planning.

We want to be clear that the community planning process that we are talking about and towards which we are working is not the one that we have had in the past. For a long time, councils have led the process locally but, frankly, some others have perhaps seen it more as a Saturday job. The result has been that, although lots of individual projects have been delivered in partnership, that is certainly not the default way in which services have been planned and resourced. That needs to be turned around. There is now consensus that working together locally must be at the heart of public service reform, but we are not there yet. That is one reason why we welcomed

the recent work by the Accounts Commission for Scotland and the Auditor General for Scotland, which highlighted some barriers that we in local government have been concerned about for some time.

There is a big leadership challenge in all this for local government as well as for national Government and its agencies. There is also a major job to do to ensure that all this is done with and not to local people and that it is done in ways that put staff in the driving seat for change.

Councils have driven forward change and improvement. All that activity has driven up quality and efficiency, which helps to protect front-line services and deliver a shift towards prevention and early intervention. We are certainly not complacent about the scope to do even more but, if we take any council in Scotland, we will see examples of services being joined up with other partners, smarter commissioning, better personalisation and, when they make sense, shared services.

The reality is that none of us in the public sector can fix by ourselves the complex issues that communities face. Effective reform means putting community planning centre stage in the way in which all services are planned and resourced, not making it an afterthought.

I hope that what I have said reflects the serious ambition in local government about what can be achieved. Delivering that ambition will require long-term commitment from local and national Government and the Parliament. That is why we invite the committee to get behind that approach and use its influence to make progress. We are happy to expand on those points and answer any questions that members have.

**The Convener:** Thank you. First, I put it on the record that the committee has the ambition to do all that it can to improve community planning across the country. There is no doubt about that. That is one of the reasons why there have been three strands to our inquiry.

I will start our questions by talking about barriers, either real or perceived. During evidence sessions—particularly the informal sessions that we have had outwith Parliament—we have heard a lot about barriers, but when we say, “Give us some examples of barriers. What needs to be changed? Is legislative change needed? What is required to bring some of the barriers down?”, we often do not get a response. Do you know of any real barriers that halt community planning? If you want to bring perceptions into play as well as talking about barriers, we will be happy to hear about that. What can we do to help to bring down any barriers that exist?

**Councillor O'Neill:** Some barriers certainly are in place, and the proposed legislation is being

designed to address some of those barriers. I made the point in my opening statement that, although councils have approached community planning in a leadership role, some of our partners have seen it as a Saturday job. As I understand it, the legislation will put on our community planning partners exactly the same duty as local government currently has. That is a positive step and we welcome it.

There are other barriers, not necessarily even across agency boundaries, such as professional barriers. We find that people in professional positions want to protect those positions. Despite my youthful good looks, I have been in local government for a very long time. During that time, I have tried to eliminate the silo mentality that exists between professionals. I have succeeded in reducing the number of silos, but I have some way to go before I can say that I have eliminated them completely. That will be even more difficult when we are working across agencies.

We have to be conscious that we are working to improve outcomes for communities, and we need to stop having barriers. Hurdles are fine—they are there to be jumped. Barriers are there to stop people, and we should eliminate them.

**Councillor Michael Cook (Convention of Scottish Local Authorities):** I will echo and embellish some of what David O'Neill said. The recent report by Audit Scotland and the Accounts Commission recognised that one of the most serious barriers is the extent to which the public sector has found itself fully engaged in the community planning process that we are talking about.

Local government sees the process as a tool for the whole public sector—the committee will perhaps hear more about the Scottish Government perspective later. The overarching report and the three pilot reports show that elements of the public sector have tended to view the work as a Saturday job, as David O'Neill said. Those organisations' contribution to identifying priorities in local areas has therefore been less significant than that of local councils.

That is understandable in a way, because the reality is that, for some time, we have had a statutory obligation and a duty to deal with community planning. The legislation that David O'Neill talked about will impact on that, and there is every expectation that the legislation will make it the responsibility of local authorities, health boards, Scottish Enterprise, the Scottish Prison Service, the police, the fire service, the third sector and so on to be involved in the process.

The reports acknowledged that, frankly, community planning partnerships have not always been empowered to deliver. We recognise that the

boards were frequently attended by officers who did not necessarily have the executive power to carry through the implications of the discussions that were held at the boards. Those who prepared the reports identified a need for improved governance and accountability as a central issue.

Something that sticks in my mind from the reports is the suggestion that, if everything is a priority, nothing is a priority. We have had that kind of competition as well. There have inevitably been conflicts between local priorities and national priorities, which some partners can see as being much more important for them to deliver on than the local priorities.

Another difficulty in a similar vein is the quality of performance indicators—I certainly recognise that from my council, as we have hitherto struggled with that. The reports recognised that massive improvement is needed on that. One of the basic propositions of community planning is—to put it in biblical terms—to know thyself. We need to do that in localities in which we work with partners. Once we know that, we can identify appropriate performance indicators and work to deliver serious outcomes. That is what it is all about.

**The Convener:** I am going to put you on the spot. Who treats the process as a Saturday job?

**Councillor Cook:** That is evident from some of the reports. One paragraph—do not ask me to say which number it is—says that the health service and Scottish Enterprise felt less obligated, to use an American expression, than the local authorities perhaps did. As I said, that has a degree of understandability. We were vested with a direct responsibility as a result of statute, but other partners were not. We need to recognise that reality.

We also need to have some sense that although, since 2009, we have had single outcome agreements and there has been a developing picture on community planning, we are now at the start of a new chapter, and the kind of community planning that we are talking about is of a different quality and intensity and is, frankly, in a different stratosphere from that which we have previously talked about.

**The Convener:** You talked about not having the right folk at the table to get on with the job. What challenges have your members across the country made to get the right folk to the table?

10:15

**Councillor Cook:** The national community planning group, which the committee will hear from later, can influence that issue. I do not want to be drawn too directly into the matter but, if a

health service chair or chief executive routinely did not turn up for planning board meetings, that would be a slight issue. The question is how we achieve the outcome that we want, which is ensuring that all the parties are fully involved in the agenda that we are driving. We certainly have a responsibility to deal with that issue locally, but the national community planning group can contribute something.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I will pick up on one or two things that David O'Neill said in his introductory remarks. Right at the top, you said that there is a need for more locally focused and joined-up services. Later, you made the substantial point that we need to work with rather than deliver to communities.

You identified a couple of barriers, which were ring fencing and structure. I want to understand what you mean by "ring fencing". To put the issue in context, in 2007, about a quarter of local authority spending was ring fenced by the Government. That has been reduced. I do not have the current figure at my fingertips, and I am happy to be updated on it, but I think that it is now about 2 per cent. What specific funding streams or directions on how funding must be spent are you talking about when you say that ring fencing is a barrier?

**Councillor O'Neill:** I recognise that the amount of ring fencing has been substantially reduced since 2007 although, like you, I do not have the current figure in front of me. However, there is still a tendency to take that approach. For example, when additional money is made available, it might come in the form of a challenge fund, which means that it is in effect ring fenced. A limited amount of money continues to be ring fenced.

There will always be a case for some things to be ring fenced. For example, there is a line in the Scottish Government's capital budget for flood prevention money. If that money was to be split 32 ways, no one council would have enough money to do any flood prevention—it would just be piecemeal work. Therefore, a small amount of ring fencing is needed, but the more we can reduce it the better. If that approach applied across the board, that would allow local authorities and their community planning partners to use money more imaginatively and effectively.

**Stewart Stevenson:** You highlighted flood prevention as an issue on which the 32 bits have been gathered together and dispersed regionally, largely under COSLA's control—well, under local authority control, not COSLA's. However, you have not given me a specific example of ring fencing. In your opening statement, you mentioned ring fencing as a problem. Can you point to one example of ring fencing that is causing you or your colleagues sleepless nights right now?

**Councillor O'Neill:** I would not necessarily say that it is causing sleepless nights, but I mentioned challenge funding.

**Stewart Stevenson:** Forgive me, but will you give me an example of a challenge fund that is worrying you?

**Councillor O'Neill:** I will give you a specific example—a fund that was launched on Monday at the Fairfield shipyard. That is a regeneration fund of £25 million, which is £12.5 million of local government money and £12.5 million of Scottish Government money. That is a welcome fund that will do a lot of good things, but it is a ring-fenced challenge fund.

There are other similar funds. Whenever we get a new source of money, it tends to be a challenge fund. Additional pressures are being placed on local government through a raft of legislation, some of which is funded. We are absolutely delighted about that, but we continue to have challenge funds and we would prefer the money not to be in that form.

**Stewart Stevenson:** We will take evidence from the minister later. In the example that you have highlighted, half the money comes from local authorities. Did someone put a gun to the head of local authorities to get them to support that challenge fund, which you do not like?

**Councillor O'Neill:** No. We had discussions with the Scottish Government and came to an agreement on what form the fund would take, but the Scottish Government tends to favour challenge funds, whereas we in local government tend to prefer not to have challenge funds.

**Stewart Stevenson:** But you support the one that you have identified.

**Councillor O'Neill:** Yes.

**Stewart Stevenson:** The only example that you have given me is a fund that you are supporting with your own money.

**Councillor O'Neill:** Yes.

**Stewart Stevenson:** I am not sure that that takes us anywhere, Mr O'Neill.

**The Convener:** Perhaps Michael Cook would like to comment.

**Councillor Cook:** We need to answer some of these questions with a bit of delicacy. At one stage, the aspiration was that the £12.5 million that makes up the local government element of that resource would be returned to local government. As it seemed relatively unlikely that that would be achieved, a different agreement was delivered, which ensured that the money would be tied up with another resource from Scottish



Enterprise that would deliver a £25 million package.

I do not think that any of us wants to use emotive terminology to describe that arrangement but, although there is agreement in that sense, the implication of what David O'Neill said was that we would sooner that a slightly different approach was adopted. We would have preferred all that money to be repatriated to local authorities, which would have allowed us to apply it as we thought appropriate to meet local needs in other areas. We believe that, fundamentally, that is the best way of making judgments. We need to ask what the priority is locally and where money should be directed to produce outcomes that result in improvements locally. That is the heart of the matter.

**Stewart Stevenson:** In the light of what has been said about the need for expenditure to be locally focused, the alternative would have been for the money to go straight to free-standing community planning partnerships and to bypass local authorities altogether.

**Councillor Cook:** That is a perfectly legitimate argument. We are all wrestling with a large underlying question. I think that local government would say that, when we want to make serious change in relation to outcomes, we need to consider the totality of resources that public sector partners have. No one is saying that we should suddenly take money out of hospitals, the Prison Service or local authorities but, if we want to have an impact on reoffending, for example, we need to consider in the round the moneys that are tied up in the various agencies that serve that end.

**The Convener:** What is preventing you from doing that now? In some areas, action has been taken to bring budgets together in an effort to achieve better outcomes. We have had examples from around the country where that has definitely happened. What is preventing the various agencies from dealing with reoffending, to use the example that you provided?

**Councillor Cook:** Let us imagine that you are the chief executive or a representative of an organisation. Some organisations still need to make a leap to understand the implications of the new agenda, which are described in terms of what it means for their resources. As I said, it does not necessarily imply that they must divest themselves of some resources, top-slice their resources or do something of that nature to achieve a particular goal. The implication of the Audit Scotland report for the Accounts Commission is that, together, partners must look at the totality of their resources when they attempt to deal with outcomes in their locality. We do not have that picture.

**The Convener:** I do not want to put words in your mouth, but you seem to be saying that we still have a huge number of inflexible budget holders.

**Councillor O'Neill:** I will give you an example. Change funds have been introduced. The change fund for elderly people was quite a successful project, but the change fund for younger people was less successful. It was a mixed bag—there were some places where it delivered very well and there were others where some of our partners did not particularly want to participate.

As I understand it, the proposed legislation will make participation a statutory requirement, so partners will be obliged to participate. We need all the community planning partners to come along with their entire resource, not so that we can say that we will spend hospital money on filling potholes or education money on providing diabetic services, but so that everyone is aware of what the resource is and how we can bend that spend to get added value for our communities.

**The Convener:** I will bring in Barbara Lindsay in a moment; I thank her for being so patient.

Mr O'Neill, I was encouraged by what you said about bending the spend. That usually means using budgets that already exist—

**Councillor O'Neill:** Yes.

**The Convener:** The first part of what you said was on change funds. The concern that I—and committee members—have is that, in some cases, it seems that folk will not attempt to bend that spend and use the mainstream funding that is already there in whichever area of the public sector to create better outcomes and put budgets together unless there is a change fund. Will you comment on that?

**Councillor O'Neill:** I am not sure that I agree with your conclusion. I think that a change fund as a concept has been a good idea, but it has not been backed up with legislation. It will be now, so that should improve the situation. Some people have come to the new agenda very willingly, and others less so.

**Barbara Lindsay (Convention of Scottish Local Authorities):** My point has partly been made already by David O'Neill and Michael Cook. We looked at the Audit Scotland report carefully and spoke to Audit Scotland. The change that we want to happen involves community planning partnerships being able to look at their area and use all the data and evidence that are available to them to understand what needs to be done and set priority outcomes.

What would make the biggest difference to driving that into action would be CPPs being able to sit down and map all the available resources of the agencies in an area. Our point about ring

fencing or challenge funds is that, the more we have pots of money that sit outside and do not allow that mapping to be done, the more difficult the task is.

Change funds have been a good stimulus to new ways of thinking, but they are still a small proportion of the overall budget. What we are being told—and what we are planning for—is that all the resources are being looked at, not just small proportions at the edges. That will encourage more project and initiative-type work.

**The Convener:** To go back to Mr Stevenson's point, can you give us examples of ring-fenced funds that are currently causing grief in the move towards the community planning agenda?

I will bring in David Martin in a moment.

**Barbara Lindsay:** My point was not specifically about ring fencing; I am happy to provide information to the committee afterwards if that is helpful. The point is that, the more resources that are clearly available locally and can be mapped locally, the easier the job of delivering improvement in local outcomes.

**The Convener:** But surely all the budgets of all the partners round the table are available.

**Councillor O'Neill:** No.

**Councillor Cook:** They are not if they are put in a challenge fund. We are saying—and this is borne out by the reports that committee members will have had the opportunity to read—that, as has been identified, not all the partners have been playing into community planning in the way that was hoped. The response of the Scottish Government, therefore, should partly be to formalise the responsibility for all community planning partners, not merely local authorities. We are still dealing with some of the implications of the resource element of that.

David O'Neill is right that there is intent on the part of local government to bend the spend in order to achieve the outcomes that we want. I am sure that that applies to other partners, but this is to some extent a new chapter in moving that agenda forward, and we need to understand that.

Without being critical of others, we need to recognise that there has perhaps been some slight resistance to deploying resources to achieve local outcomes.

10:30

**The Convener:** Before I bring in David Martin, I have one point to make. If we are not going to be critical of folk, how are we going to improve the situation? We have heard the same from others previously—"Oh well, I am not going to criticise so and so here"—but, frankly, if we do not know

exactly where the difficulties lie and who is creating the blockages, we will not be able to do much about it.

**David Martin (Society of Local Authority Chief Executives and Senior Managers):** My glass is half full, and my point builds on what Michael Cook said about a new chapter. We are in a good place from which to make community planning work better than it has done. I think that everyone acknowledges—for the reasons that have been rehearsed many times in the committee's previous meetings—that community planning to date in Scotland has been a curate's egg.

We now have substantial audit scrutiny; significant national, local and regional political scrutiny; community scrutiny of progress and priorities; and a national community planning framework that will ensure that some of the problems of the past no longer bedevil us as we move forward. The legislative element is another tool in the kitbag to ensure that that happens.

Speaking locally—and I think that I can speak for some colleagues—all the spend is brought to bear, but most if not all of that spend is part of a declining pattern of public expenditure. It is mostly tied up in failure demand or other competing priorities. In order to bend the spend and move it, we clearly have to have a shared and agreed plan for place.

We are seeing in the first round of SOAs and community plans that are currently being debated between local government and the Scottish Government an increasingly clear and shared agenda on a number of key themes: jobs, children and young people, early years and so on. That will mean that discussions on how we bend the spend for common cause and align those decisions between the health service, in particular, and local government in terms of planning and policy resource cycles are at least out of the blocks. That is a positive move, and a significantly different place from where we have been.

The proof of the pudding will, of course, be in the eating. What will be important in the next year in particular is the sustained leadership—both political and managerial—that the committee has discussed in previous meetings; community engagement rather than just community dialogue, which is a difficult and challenging but very worthwhile endeavour; and good performance management and sharing the best practice that exists with regard to the benchmarking discussions that we have had in previous meetings.

It seems that we are putting an awful lot of the right foundation stones in place. As you have said on a couple of occasions, convener, it is delivery

time. The next year will be an interesting and telling challenge, but I am very optimistic about the potential for community planning to raise its game.

**John Pentland (Motherwell and Wishaw) (Lab):** My question relates to what we have just been discussing around budgets. Although it is unlikely that anyone will be critical of any other organisation, because nobody likes to be seen as failing and not coping within their existing budgets, I wonder whether the current budget constraints are having an effect on local government's ability to undertake any reform. Do you think that, at this time, we should be reviewing the sustainability of funding?

**Councillor O'Neill:** By that, do you mean the way in which the public sector is funded?

**John Pentland:** I have heard organisations say in public that they are coping, but I wonder whether that is just a screen as they do not want people to see that they are not delivering the services. From where I sit, I see services day and daily being diminished as organisations do not have the funding to carry out the service that they would like to, so I am just asking the question. Do you believe that there should be a review of the sustainability of funding?

**Councillor O'Neill:** The way in which local government is currently funded is not sustainable in the long term. The council tax brings in an ever-reducing percentage of local government's money—

**The Convener:** I do not want us to go too far down this line, because we are talking about public service reform. If you stick to budgetary difficulties in the context of delivering reform, that will be grand. We can deal with other budgetary matters at another meeting, probably in the near future.

**John Pentland:** I do not want to fall out with you, convener, but, with the greatest respect, if funding is a barrier, we need to hear from people—

**The Convener:** I am happy for us to talk about funding, Mr Pentland, but I do not want to go into a huge debate about local government funding in general at the moment. Please stick to public sector reform and funding barriers in that context.

**Councillor O'Neill:** I will be happy to respond to any question that is put to me.

**Councillor Cook:** Perhaps I can offer a particular take on the question, which is intended to be constructive. One of the ways of coping with the declining resource is by having parts of the public sector work together that might previously have been disparate. That is a fundamental part of the coping mechanism. As people see what is happening to the budget line and the demand line,

they are having to make all sorts of challenging decisions. We have recognised that we need to meet the challenges collectively. That is the fundamental proposition that underpins community planning.

David O'Neill referred to the nature of structural reform. The issue inevitably crops up when we are considering this kind of agenda. Our take is that, particularly in the context in which we are operating, structural reform would be a hugely costly enterprise, which would not necessarily deliver any benefit in bringing together elements that we are trying to bring together anyway, through a partnership approach and community planning.

Government and local government see that as a logical approach in the context in which we are operating. It is extremely challenging for all partners, and that is a matter of broad public knowledge and understanding.

**The Convener:** Do you want to respond, Mr Pentland?

**John Pentland:** Thank you. In evidence, we have heard from the strategic level that everything is working perfectly, but we have heard a totally different view from the grass roots. People think that PSR is being driven by cost reduction and that little attention is being paid to the local context or to communities' views. Is that a correct assessment?

**The Convener:** Who wants to respond to that?

**Councillor O'Neill:** I am happy to respond. Is everything in the garden rosy? No, it most certainly is not. If we had got to the stage at which everything was all right, we would not need the likes of John Pentland and me. I do not think that we will ever get to a stage at which everything is all right.

Had the credit crunch not come along, we would still have had an issue to address, simply because of demographic change. The population is getting older and people are living much longer, so health and social care needs have grown substantially. Even without the credit crunch we would have had to do things differently; the credit crunch only added impetus to that.

In the public sector we have to put up our hands and say, "We should have been doing some of this stuff when budgets were increasing." We tended to do more of what we were doing, rather than doing things differently. It is now vital that we do things differently. Everything in the garden is not rosy.

**Margaret Mitchell (Central Scotland) (Con):** Mr Martin, you said that you are confident that you have the right foundations in place, and you

acknowledged that community engagement has been difficult.

In COSLA's submission, under the heading "COSLA's Routemap to Reform: Improving outcomes through Community Planning", you talk about "triple locking proposals", which you say involve, first,

"Strengthening duties on individual partners".

Every time we hear from COSLA, it seems to place great reliance on statutory duties being imposed on not just local government but all partners. There is also the establishment of a joint group at national level, which is seen as something that will make a huge difference. All that indicates a top-down approach. Where is the community engagement in triple-lock funding?

**The Convener:** Who is going for that one first?

**David Martin:** I am happy to answer from a SOLACE perspective. I am sure that COSLA colleagues will want to comment on their triple lock.

As I have said previously to the committee, community engagement is the other side of the community planning coin. It has to be meaningful and localised, and it has to make a tangible difference to how communities operate.

In my part of the world—again, this is common throughout Scotland—there is a variety of ways in which communities can and should get engaged. That might involve asset transfer, and involvement in the running of services, where that is appropriate, or it might involve taking regular feedback about the performance of public services and responding to that helpfully through public performance reporting.

You called it a top-down approach, Mrs Mitchell. In my experience, local communities are just as concerned about employability, their children's future and the impact on young people as we are at the strategic level. It is about having those conversations in a way that is meaningful locally.

In Renfrewshire, we are working to have local community plans that reflect the priorities in the county-wide community plan. Communities want to talk about that. We are developing a Renfrewshire community forum that builds on the work that has gone before to ensure that, as a community planning board, the collective public sector voices in Renfrewshire are listening to the community's views.

That is not just about representative democracy, although that is important; it is about participative democracy—it is people who want to get involved. In the past year, for example, we have held community planning conferences that have been attended by more than 500 people. My sense is

that that is commonplace throughout Scotland. We are now trying to raise the bar and get more involved in co-production, which involves talking to people about policy choices, service standards and their involvement, and how that might be shaped. That will be done as business as usual, on a day-to-day basis, and not as set-piece events. That is how community planning at the local level will begin to grow and be more effective than it is at present.

There are some really strong examples of effective community engagement and community planning throughout Scotland. One of the roles of the national community planning group is to identify those and spread the good practice throughout Scotland, where there is the ability to do so.

**Councillor Cook:** I will pick up some elements of that. You asked about engagement and about barriers in the past. Part of the rationale behind the triple-locking mechanism was to deal with some of those barriers. The proposition behind the national group is to respond to barriers that have previously been identified in other parts of our discussion.

Another part of the triple-locking mechanism—the element that brings all the partners together—is about ensuring that all the partners are equipped and have a responsibility to play into the game, to ensure that they put their chips in and deliver locally on the ground.

There is a continuum here, moving from that level, where we have some issues in relation to barriers, through to the local engagement level. Local engagement is a hugely important part—

**Margaret Mitchell:** If you could give examples of some of the barriers, that would help.

**Councillor Cook:** I think that we have done so already. We have indicated that there has been a need to engage partners. All that you need to do, frankly, is to go back and look at the reports produced by Audit Scotland and the Accounts Commission—

**Margaret Mitchell:** We know that there is a lack of engagement, but the question is how to engage.

**Councillor Cook:** Through the community empowerment bill, you will get an obligation that is vested in all partners to deliver on the community planning partnership agenda. You asked about engagement. I was going to say that that is a hugely important part of the agenda. What do we know? You heard from David O'Neill that 40 per cent of our spend is tied up in responding to the effects of negative outcomes. The reality is that we want to shift that spend so that it has a much more constructive use and so that we are delivering positive outcomes for communities. That is about

prevention. Community engagement is critical to moving forward with that agenda. We want to do things differently on the ground but, unless we engage with communities and take them with us, we will not be able to achieve that.

10:45

I do not doubt that you will ask for specific examples. In my locality, we are developing what we call whole-town plans. A place of particular significance to me is the town of Eyemouth. We are conducting a pilot there that is looking at the range of issues in that town right across the spectrum and seeking, with partners on the ground, to think about those issues and plan how, at the local level with people on the ground, we can respond to them. That is why community engagement is so important.

**Margaret Mitchell:** There is still a bit of a disconnect and an overreliance on both the statutory position of the partners all having an equal duty and legislation in the form of the proposed community empowerment and renewal bill, which in itself is not going to solve the problem. You have given us some examples of connecting with local communities, but there is still a sense of priorities being set up here. Although you say that we do not want to do a service to people because that is ineffective and costly and jeopardises the trust of communities, I do not think that there is a coherent plan for community engagement.

**Councillor Cook:** What do you suggest, then?

**Margaret Mitchell:** What is being done differently that has not been done in the past 10 years? We have talked before about integration, joint services and prevention. What are the new ways of working?

**Adam Stewart (Convention of Scottish Local Authorities):** There are two parts to this. At one end of the spectrum, we must create the conditions for successful partnerships to be delivered. That is about the leadership challenge, creating the right culture and enabling the resources to be spent on the right priorities. At the other end of the spectrum, community empowerment and engagement are fundamental to community planning. The kind of empowerment that we are talking about involves communities engaging in the total spend of the public services in their area on those priorities. That is a massive community empowerment challenge as well as a massive opportunity.

The evidence that you have seen already shows that there are often lots of individual projects in which there has been an element of community empowerment but—a bit like in community planning—those have been specific examples

rather than the result of a strategic approach having been taken. The challenge is to turn the individual elements of community engagement on specific projects into something that is much more strategic that delivers resources to priorities and objectives. That is our direction of travel.

All the individual partners are pretty experienced in individual elements of empowerment. As David Martin has said, a whole host of different mechanisms are in place. The next challenge is to join those up and create a co-producing environment.

**David Martin:** Ms Mitchell asked for examples of what is different. Some of it is about degree and intensity, and some of it is about trying new things. Some of the well-trodden paths are building better relationships with key, anchor organisations and communities; working more closely with the third sector interfaces; taking social enterprise more seriously; and devolving some budgets to communities in a meaningful way so that there is some selective choice—we cannot devolve the entire budget, so policy choices need to be made. There are issues to do with the promotion of volunteering between agencies such as the health service and councils and doing stuff in the communities. Also, people such as me are being visible in community facilities. When you add up all those things, they do amount to a hill of beans, but there is no magic bullet for community engagement. We strongly recognise that we have to flex the tools that we use depending on the cultural issues and challenges that a given community faces.

In parts of Renfrewshire—Ferguslie Park, for example—you would take a different approach to engaging communities than you would take in some of the more affluent parts of the area. You must be willing to try some new things. However, I want to give you the clear message that a lot of those things are commonplace in Scotland and we are trying to do more of them. There is a recognition that community engagement and joint working with citizens are the only way in which we are going to tackle some of the difficult policy choices. Nevertheless, I stress that that is not a magic bullet.

**Margaret Mitchell:** I put it to you that not only the community but your front-line staff must be fully engaged. There is a huge gap there. You must ensure that they are fully engaged and understand what you are about—that there is this consensus that everybody is talking about around a different way of doing things.

**David Martin:** If you will forgive me for mixing my metaphors, a couple of anecdotes do not a summer make. I would suggest that, certainly in the public sector organisations that I have worked for and the one that I am in just now and in most of

the partner organisations, employees are very engaged with the agenda. In my community, most of them live and work there, and their kids go to our schools and so on. I think that there is a strong resonance between the organisation's priorities and the priorities that we are trying to pursue through the community planning. It can always be improved and we can never be complacent about that. However, whether it is through recognition events, charitable donations or a variety of front-line involvements, I think that employee engagement and commitment in the public services in most of Scotland is taken very seriously by people like me and by other public sector leaders.

**Margaret Mitchell:** I think that if you looked at the evidence of the Accounts Commission and the Auditor General, you would see that there was recognition that front-line services and training very often mean efficiency savings and value for money: doing things to save money. There was very little of people trying to explain why they were doing that—for example, incentivising and recognising worth—and much more could be done in that regard. With respect, to say that it is a very small problem is very complacent and underestimates the extent of the problem.

**David Martin:** I do not believe that that is what I said.

**Margaret Mitchell:** A few councils do not a summer make, was it?

**David Martin:** No. Forgive me, but the point that I am trying to make is that there is not a public sector political or managerial leader who does not recognise that public services are, in effect, about the people who are their employees. All our organisations are committed to being honest about the need to make public sector spending cuts and to mitigating the impact of those by providing good communication and explanation, reskilling and ensuring that people are well equipped to deal with all the challenges that they face. That is a key driver for me and for all my colleagues in SOLACE. I am sure that that is just as true for all the political leaders.

**Councillor O'Neill:** That is absolutely right. I spent 13 years as the leader of North Ayrshire Council. At no time did I teach the weans, process the planning applications or sweep the streets. The people we employ do all those things and they have to be empowered. In COSLA, as well as the negotiating body for pay and conditions, we have other meetings with the trade unions to talk about how the workforce can be further engaged and how they can help us to reform services, because they are the folk who do the work. It is not me who does it. It is them, so we need to talk to them—it is imperative that we do that.

**Margaret Mitchell:** With respect, I do not think that that came through in COSLA's submission. That was not an area on which the submission concentrated. It is another side of the coin and something that I ask you to look at again, because the Auditor General and the Accounts Commission brought it up. Very often, what you hope is happening is not always what is happening. If you went out there, you would find that people would be struggling to know what community partnerships are. Surely the people who deliver front-line services have quite a role in explaining that to local people and making them aware of it. It seems to me that there is an immediate gap there, whether you recognise it or not.

**Councillor Cook:** I do not think that we want to get into an argument about this particularly, but I think that everything that David O'Neill and David Martin said is accurate. There is perhaps an issue about whether staff would characterise some of what they do in quite the same terms as we characterise it. However, is there community planning in action on the ground? There is routinely community planning in action on the ground in localities in all our councils. Staff do it as their day job, no matter how they characterise it, whether in the jargonistic, high-flown terms that we use or not. The fact is that that is what they are doing in their day job and there is a level of engagement.

Frankly, I do not recognise your characterisation of the Audit Scotland and Accounts Commission report. What you are saying is that there is a strand in that—it is certainly not among the recommendations that I have read—that states that there is a disconnect between front-line services and the overall concept of community planning. That is certainly not a conclusion of the report, if the issue is referred to at all. I think that we need to be slightly careful about promoting a proposition that may not be reflected in reality.

**Margaret Mitchell:** I think that we are just going back to talking about “we” and the consensus. It is not just about the top level: there is a need to look at the issue from the bottom up. However, I will leave this strand to be—

**Councillor Cook:** You need to understand the nature of this. You are asking us questions about barriers, and barriers tend to exist at a high level. You need executive powers to respond to those and you need people who have the authority to take action. That is at one end of the continuum.

You ask us about community engagement. That tends to operate at a different end of the continuum. It is about getting all the elements in that continuum to work effectively to deliver on the community planning partnership. We are bending every sinew to achieve that goal.

**Margaret Mitchell:** The problem is that there is not a sufficient balance from the ground up. I think that we have exhausted that subject now.

**The Convener:** We might come back to that.

**Stuart McMillan (West Scotland) (SNP):** I want to follow up on some of the previous questions. Before I do that, I note that a number of comments this morning have been very helpful. Two in particular stand out. First, Councillor Cook said that things worked in a disparate way in the past and that we need to meet challenges collectively going forward. Secondly, Councillor O'Neill said that even without the credit crunch we would have had to do things differently. He also talked about the deep-rooted social problems that exist. Whatever happened in the past—and despite the largesse that was there—the deep-rooted problems within our communities across the country were not tackled. He referred to using the totality of budgets, irrespective of organisational boundaries.

My question on that concerns communities, community organisations, the third sector and social enterprises. Can you assure the thousand or so folk who will be listening online to this session and those who will read the *Official Report* afterwards—particularly people from the community organisations—that they will have an opportunity to have a say, if the aim to use the totality of budgets irrespective of boundaries is carried out?

Having attended the Scottish Community Alliance event that was held in the Parliament on 26 April, I can assure you that there was a tremendous amount of fear from many people in community organisations the length and breadth of the country. They felt that when it came to budgets, they were being squeezed out and not being listened to. If they were to hear the comments from this morning, their fear might be strengthened.

**The Convener:** Who will have a crack at that first?

**Councillor O'Neill:** I will have a quick go at it. It would be bizarre for us not to engage with our communities on total budgeting. I made the point in my opening statement that we are doing things not to communities, but with communities. I cannot conceive of not involving our communities. It is imperative that we do so, and in various different ways. Folk have to be actively involved in the community planning partnership board. That is certainly the case in my authority and I am fairly certain that that would apply across the board. We also need to deal with specific parts of the voluntary sector. To use my authority as an example again, that happens.

It would be useful to say a wee bit about motivation. We are sitting here as politicians. Health inequalities are probably the best example of what is wrong in our communities. Health inequalities mean that the difference in life expectancy between wealthy communities and deprived communities can be substantial. In some places, living round the corner can add 20-odd years to—or take away 20-odd years from—a person's life. That is unacceptable in a modern western democracy. We can tackle that better by working together, especially by working with communities. If we are to get added value from bending the spend, it is no use sitting in our ivory towers and pontificating to people on the ground about how they should be living their lives. They need to tell us what needs to be done, and we need to listen to them.

11:00

**David Martin:** I mentioned the localism agenda. I do not think that community planning can work unless, one way or another, communities are embedded and involved in its decision-making processes. In the context of many of the partnerships that have been mentioned, third sector organisations and community representatives will be part of the top level of decision making on CPP boards, and they will be actively involved in the range of other initiatives and governance frameworks.

It is particularly important to give community representatives real decision making and influence. Some of the things that are being considered in central Scotland involve community plan fora being asked to run websites for the community planning partnership, for example. They can also be asked to run public service panels on behalf of all public agencies, so that there is a direct input of regular feedback. It should be ensured that fora are properly represented and constituted. Ultimately, community engagement is local so a real level of resource needs to be deployed to build capacity for community-based organisations to engage meaningfully.

Professional silos were mentioned. Professionals like me need to be comfortable with knowledge transfer and facilitation skills, as opposed to acting merely as gatekeepers to public services. That requires training, learning and development on a joint basis with community organisations. There is a range of activity through which we can take the community engagement duty and role seriously, and I give Stuart McMillan my assurance that that is a key element of the debate, certainly to my knowledge.

There are issues about resourcing and—on the community and third sector side—about efficiency, effectiveness and well-run organisations. It is

important to be honest about that. There needs to be a recognition that community-based organisations have to be run well and governed well, and most of them recognise that. They should operate in a way that allows the public sector core partners to operate with them, although that is not always the case. The bar needs to be raised on both sides. If that is done, we will get a much better future.

**The Convener:** You said that community-based organisations have to be governed well. Judging from the evidence that we have taken elsewhere, there is a tendency for such organisations to be overgoverned and to have to jump through a huge number of hoops to achieve anything.

That is one of the key things that we have found—not just in one place, but in many places. We have a great hope that communities will get involved and take some of the pressures off the public sector, yet at the same time we are discouraging communities in many places by overbureaucratising the process. The governance point, which you also mentioned, puts many communities off. In one place that we visited recently, it seemed that an attempt was being made to keep community representatives out of the frame altogether.

**Councillor Cook:** David Martin has covered the territory that I was going to try to cover. As he said, it is absolutely true that there are resource pressures, as we all know. Those pressures are impacting on third sector organisations, local authorities and many other bodies across the public sector. That is the reality that we have to deal with.

Barbara Lindsay spoke about mapping spend. The significance of that is to do with our attempt to reach a shared, evidence-based understanding of local needs. That is the key element. That means getting to the place where we can direct resources most effectively. Are there objective problems with the financial crunch and the pressure on public spending in general? Yes. How are we responding to that? We are trying to develop an understanding of the issues on the ground, together with local partners, and to direct our resources towards responding to those issues. That is the heart of the process.

**The Convener:** Do you want to come back on that, Stuart?

**Stuart McMillan:** I have a question for Councillor Cook about the whole-town plans that he mentioned. That sounds like an interesting concept but, at the end of the day, we are all politicians and politicians like opening shiny new buildings, particularly if they are in their ward, constituency or region. The concept might well work in local authority areas that have many

smaller communities, but implementing it in smaller local authority areas with bigger communities might be a bit more challenging.

**Councillor Cook:** That observation might be valid. One of the fundamental aspects of this approach, particularly with regard to engagement on the ground, is that it needs to be horses for courses. As it happens, my area has small, discrete communities nestling cheek by jowl and the approach lends itself to working with them on the ground. In the Borders, places that are only a few miles apart have very strong localised identities but the key element is to sit down with people in their locality. It is quite a revelation for people in Eyemouth to hear us say, “Honestly—we’re not telling you this is the way to do this. We’re asking you what you think.” They are finding that a bit of a struggle at this point in the calendar. There is a degree of novelty in this approach to issues that, typically, would have been subject to a slightly top-down approach in the past. Essentially, we have started a conversation certainly with the community leadership to map out on a blank sheet of paper where they want to go and then are discussing that generally within the community.

Of course, we need to do that on the basis of a proper understanding of the evidence about the community in question. You cannot simply go in and put your finger in the air; you need to understand your community.

**Anne McTaggart (Glasgow) (Lab):** I am dying to ask loads of questions, but on the issue of front-line workers that my colleague Margaret Mitchell raised we have to realise that everything has been cut to the quick. Everyone who was able to take voluntary redundancy has done so; all that experience has left the sector; and people at the front line are left wondering what part of their job they will not be doing. You said that you are talking to front-line staff, but can you give us the answer to that question? Stuart McMillan talked about shiny new buildings but there are also the shiny new strategies, the shiny new books and the shiny new everything else that can be added to a job remit. These people are working at full capacity—and indeed more, now that their colleagues have left. What will go from their remit? I know that it is not politically correct to ask this, but what will we not provide any more?

**The Convener:** Who is going to tackle that question?

**Councillor Cook:** I am happy to have a go, convener. There are a number of complex elements to the issue, the first of which is the judgment that local authorities have to make about who can be released from the organisation in an effort to deal with the budget context that we are all operating in. Clearly managers and local authorities will make a judgment regarding the



organisation's operation and will report to politicians about who can be released under voluntary severance or early retirement terms. Typically, in my council—I know that the same is true in others—there will be a number of applicants for early retirement or voluntary severance and we will release those who, according to our calculations, can be released while allowing the organisation to function properly. Obviously we will not release those who are critical to the functioning of the organisation.

That is the first element—and I have lost the thread of what I was going to say.

**Councillor O'Neill:** It is an age thing.

**Councillor Cook:** Indeed. I am sure that David will be happy to pick up the response while I think about what I was going to say.

**The Convener:** Which David?

**Councillor O'Neill:** I am happy to say a few words about this. Councillor Cook's explanation of how authorities have gone about reducing the workforce is absolutely right. Indeed, I am not aware of any compulsory redundancies.

That said, there is a lot of pain out there and although all the redundancies have been voluntary you can be sure that there has been a bit of arm twisting. We must be conscious of the fact that local government—not local government alone; it has happened throughout the public sector—has lost an awful lot of experience and talent and there is now no spare capacity in the system. There is no fat left and everybody is working to capacity. It is not healthy constantly to be working to capacity, and we are conscious of that. We need to be able to engage with our workforce to ensure that we are keeping them healthy because, if they are off sick, it is no good for them or for the delivery of services.

I assure Anne McTaggart that local government is very conscious of that and is working hard to try to address it and ensure that we do not put people under an abnormal amount of pressure.

**The Convener:** We are getting close to time, so I ask for brief questions and brief answers, please. I am conscious that David O'Neill has another round of this to go.

**Councillor Cook:** I was going to make another point—it must be an age thing, but my brain is not functioning as it used to; it is still early in the morning for me.

It is relatively early in the process and, in talking about staff going into the future, we are also talking about staff being the drivers of the new reform agenda. Increasingly, organisations will want staff to be much more flexible in what they are capable of doing. That has a training

implication, but we genuinely expect staff to be able to drive the public sector reform process. That is true from the top right through to the foot of organisations. Everybody has a contribution to make in the process. That means new ways of working, different kinds of staff and writing a new chapter.

**David Martin:** The headcount of our organisation has gone down by 14 per cent in the past three years. That is a major challenge. Our attendance level and absence rate are the best that they have been in a decade. I am not suggesting that that is a recipe for success, but we tackle the matter through honesty, listening, proper learning and development, intervening early if there are problems and pressures, creating an environment in which employees at the front line feel empowered to raise problems and concerns, asking them to innovate, letting them fly until grounded and responding positively to that. That requires managers to operate on that basis, too. There are fewer managers in the public sector generally and, certainly, in local government than there were.

Other measures must also be taken on employee recognition, because reward is quite hard just now. We must ensure that flexible working is employed and that we use technology as smartly as we can. If folk have childcare-related work-life balance issues, we try to encourage home working.

There are a number of things that we can do that will make the organisation work better but, if there is one key to it, it is being absolutely honest, open, listening regularly to what employees are saying and responding quickly to that.

**Anne McTaggart:** It is also about being honest with our communities and saying that we will do something differently or that we cannot do something any more. However, that is obviously not politically okay.

**Mark McDonald (North East Scotland) (SNP):** I get the impression that, if we were to go out into the community and ask people for their perception of community planning—leaving aside the people about whom Margaret Mitchell spoke who would not know what we were talking about—we would hear the perception that community planning is about asking communities what they want, discussing it to death and then failing to deliver it.

How do we turn around that perception? The simple answer is to deliver, but how do we demonstrate to people that community planning is done with them, not to them, that it involves them and that they can see real outcomes from it?

**Councillor O'Neill:** There is a degree of attitude involved in that. When community planning started, there were probably two schools

of thought: one was that we were talking about physical communities and planning for them; the other was that we were talking about a community of service delivery organisations. Some folk thought that it was one or t'other but, in fact, it is both; they are equally true. We need to engage with our communities, and ensure that we understand what they think the problems are and that we are able to engage with those wholly.

Part of that—I think that it was Michael Cook who mentioned the language that we use—is that we tend to use language that excludes folk. We need to stop doing that. We also need to build capacity in our communities. For example, there is no point in saying to our community organisations, “You take over the running of that community centre. You now have responsibility for employment law and paying national insurance and you have health and safety legislation to take into account.” When we pass on responsibility, we must do so on the understanding that we will build capacity in the communities, that we will continue to support them and that we will not abandon them.

11:15

**Councillor Cook:** There is probably a grain of truth in what Mark McDonald says. To some extent, community planning develops baggage, as these things often do. This may be an odd way to look at it, but perhaps it almost needs to be rebadged. We are talking about something that is slightly different. We are committing to a new kind of context and approach. How we get there is the critical element of Mark McDonald's question. If we are to deliver, we must remove the barriers and have the community engagement that he asked about. We need to work together to deliver those things, get into that new place, understand our localities and, to use my earlier phrase, bend every sinew to deliver those outcomes.

David Martin mentioned the year or so time horizon that is needed in order to understand whether community planning was beginning to have the desired effect. That is true with regard to our sense of community planning, governance and effectiveness, but there is a much longer time horizon for the agenda that we want to deliver on. If we are talking seriously about such things as health outcomes, those operate over much longer periods than we tend to think about as politicians. We need to be mindful of that. We need to get a proper sense of whether community planning is delivering as an operation in a year or so, but we must check our pulse and see how things are headed with regard to the bigger objective, which is to impact seriously outcomes over the long term and make a difference in our communities. That is why we came into politics, after all.

**David Martin:** We should make it as easy as possible for communities to engage collectively with the public sector rather than being pushed from pillar to post, which sometimes happens. We must ensure that the conversations that are had as a collective public sector at the local level are about the things that are relevant to communities. They will tend to be about jobs and income, health issues, and the effectiveness of infrastructure on community safety.

**Mark McDonald:** David O'Neill mentioned the need to eliminate the phraseology that excludes people. I found that interesting. When I went through the COSLA submission, I found myself highlighting terms and phrases. If I had more time, I would perhaps do a wee pop quiz to see whether people could tell me what some of that stuff meant, because I sometimes get the impression that community planning is at risk of drowning in a sea of jargon and management speak. We must go back to delivering stuff in a language that is understandable not only to elected members, but to the community.

**Stewart Stevenson:** Councillor Cook said that we should look at the CPPs' effectiveness in a year or so. Let me quote from paragraphs 9 and 10 of the summary of Audit Scotland's “Improving community planning in Scotland” report:

“ten years after community planning was given a statutory basis, CPPs are not able to show that they have had a significant impact in delivering improved outcomes across Scotland.

Our audit work in recent years has found shortcomings in how CPPs have performed. These are widespread and go beyond individual CPPs.”

Is Audit Scotland right? My question can be answered with a yes or no.

**Barbara Lindsay:** Audit Scotland is right about the phase that we have been in, but it is not right about the phase that we are about to enter into. We have said that we need a paradigm shift, so we are embarked on a completely different model. That quote says to us that we cannot carry those problems into the new model; it does not say that the new model cannot be successful.

**Councillor Cook:** I absolutely agree. In so far as those paragraphs talk about the history of community planning, the answer is yes, but we are talking about a new chapter and a different context. The picture has been developing during those 10 years. We had community planning and we then had single outcome agreements. We then had various reports and we are going to have the community empowerment and renewal bill. We are learning, and I think that we have got to a new place. We need to move on from that new place with a different kind of understanding. A critical element of that, as I think we all understand, is the

Christie commission, which has changed the understanding that we bring to the agenda.

**The Convener:** David?

**Councillor O'Neill:** Which one? The young, good-looking one?

**The Convener:** I have been trying all day not to talk about “the two Davids”, because that conjures up “Spitting Image”.

David O'Neill, please.

**Councillor O'Neill:** I echo what Barbara Lindsay and Michael Cook have said. We must not become defensive and say that everything that we have done in the past has been right, because it has not. If you do not get something right, you need to do something different. We have not got it right over the past 10 years, so let us do something different.

**The Convener:** David Martin.

**David Martin:** It depends on the issue. In some community planning partnerships, work on issues such as child protection has advanced tangibly and demonstrably as a result of collective working. However, generally speaking across the piece, we have not done as well as we could do and we need to raise the bar.

**Adam Stewart:** We are on record as welcoming that report, which provides a pretty good deconstruction of the issues that we have identified. As Barbara Lindsay and others have said, we now have the opportunity to turn that around. The building blocks are coming into place; the next challenge will be the delivery.

**The Convener:** The question for many of us is: why has it taken the three reports from Audit Scotland and the Accounts Commission to get us to a place in which there is an admission that what has been there has not worked thus far and that we need a shift?

**Councillor O'Neill:** I argue that, in the past, local government did not have the ability to convince our community planning partners. The legislation that has been drafted and that will be put in place will make it much easier to do that. The duty to deliver for community planning will be not only on local government, but on the whole public sector. That is very positive.

**John Pentland:** In response to a question from Mark McDonald, Councillor Cook highlighted a number of areas for improvement. Can the committee or the Scottish Government do anything to help to bring about those improvements?

**Councillor Cook:** I had not thought about that question beforehand. If you endorsed the overall approach, that would help. As we have said, there

has been a history to community planning and I think that we have reached a different place. The convener asked why it has taken those reports to change the dynamic, but I do not think that it has taken them. In fact, if you looked at earlier minutes of the national planning group, you would find that I was saying exactly the same thing as the reports say about the level of engagement from partners. Now that we are moving into a new world in which people are genuinely engaged and we have a new approach, that stands us in good stead to get the paradigm shift that we are looking for. That is the object of the exercise.

If the committee can support that approach and say that we need genuine co-operation between partners across the public sector, whether it is Government or, at the other end, third party organisations that contribute to the understanding of communities and the development of local responses to the issues, that would be a good result and it would assist with the process in which we are engaged.

**Barbara Lindsay:** We perhaps suffer from moving from one reform initiative to another. One thing that we could all usefully do—including the committee, if that is what it decides—is to get behind one thing by sticking to the Christie agenda and to community planning as the strategic driver.

We would also find it useful if the performance of the whole of the public sector were assessed on its ability to deliver with regard to community planning—the question should be not only how well bodies are doing in health, enterprise or whatever, but how well we are all doing as community planning partnerships. Part of the measurement of the success of those bodies should involve a consideration of how big a contribution they are making to this agenda.

**Stewart Stevenson:** Does that not go to the heart of the issue? When we say, centrally, that there is a single objective, are we communicating to those in the front line, who have to do the job, that all other ideas are now excluded?

**Councillor Cook:** No.

**Councillor O'Neill:** No. I certainly did not take that from what Barbara Lindsay said. Did you actually say that, Barbara?

**Stewart Stevenson:** Forgive me; I am talking about the psychology of the individual in the front line. In other words, if we do not have a message from the centre that says, “We don’t have all the answers,” it is perilous to put at the top of the whole edifice a single, overriding objective. Actually, the message should be, “We want to step back and hear what you want to say in relation to the diversity and multiplicity of locally applicable answers.” I would simply encourage you to think about that.

**Councillor O'Neill:** The single, overriding message is that 40 per cent of public expenditure is negative spend, and that needs to stop.

**Barbara Lindsay:** I do not think that there is any conflict between agreeing with the agenda that Christie set and asking for ideas to help us to make progress. One does not preclude the other.

**The Convener:** The final question is on priorities, of which there are too many at various points. I agree with what David O'Neill keeps saying about negative spend. How many local authorities and community planning partnerships have embarked on priority-based budgeting exercises?

**Councillor O'Neill:** You would need to ask individual authorities whether they had done that. I do not think that we have that information.

**The Convener:** It would be interesting to find that out; perhaps you could ask your member authorities how many of them have done that. At the end of the day, people will not make that paradigm shift unless they find out where they should be spending money and where—as Anne McTaggart pointed out—money should perhaps not be spent any more.

**Adam Stewart:** I do not wish to cut across evidence from the national community planning group, but the recognition of the need to focus on priorities across not only local government but national Government and its agencies has been at the core of the triple lock that we talked about earlier. All the single outcome agreements, which have now been submitted in draft form, focus on six areas in which there is a recognised ability to tackle inequalities, prevention and early intervention in the round. That whole-system focus is very much one of the steps forward—

**The Convener:** Who has embarked on dealing with that in budgeting terms thus far?

**Adam Stewart:** The budget would flow from the setting of those priorities.

**Councillor Cook:** The national community planning group has identified that the issue is not about local authorities but about all public sector partners getting round the community planning partnership table and considering that totality of the resources. Councils have a critical responsibility in that regard.

Has there been priority-based budgeting? Yes, probably on a localised, silo-based basis. That is what we are trying to change. The most recent decision of the national community planning group, which was taken on 10 April—you will hear more about that later—is that we need to do this differently. That is a direct output from the Accounts Commission and Audit Scotland report. It has been decided that the resources need to be

considered in the round and that a different approach must be taken to that. Local government agrees with that.

**The Convener:** I thank our witnesses for their attendance.

11:29

*Meeting suspended.*

11:37

*On resuming—*

**The Convener:** We are joined by witnesses from the national community planning group. I welcome Pat Watters, the group's chair; Derek Mackay, Minister for Local Government and Planning; and Andrew Robertson, chair of NHS Greater Glasgow and Clyde. We are joined again by Councillor David O'Neill, president of COSLA. Welcome, gentlemen. I invite opening remarks.

**Pat Watters (National Community Planning Group):** Thank you, convener. I appreciate the opportunity to come to the meeting.

The national planning group brings together the whole of the public sector at a very senior level. We have a jointly agreed agenda, which is to move forward the delivery of services into our communities and improve outcomes in communities. The whole of the public sector is signed up to the single agenda and there is agreement on how we try to tackle some of the problems.

Scotland faces significant challenges. Large amounts of resource are spent on a small proportion of our population. The commission on the future delivery of public services—the Christie commission—of which I was a member, said that prevention is better than cure. We have walked the walk and talked the talk, and we need to start delivering. Early intervention is one of the main planks that we must look at in community planning. We must see how we deliver in communities.

I do not think that anyone would argue with the six priorities that we have set. I will try not to go over stuff that was said by the previous panel. Community planning is vital. Bringing the public sector together to deliver better in communities is worth doing. We all know the position with regard to the resources that are available in the public sector. The situation is not going to get better as time goes on; we are going to enter difficult times. Unless we look at how we deliver in our communities, less will be delivered. We need to use the resources that are available to us in the best possible way, to ensure that our communities

get the resources to which they are entitled and continue to receive the services that they need.

**Councillor O'Neill:** In local government, we have always argued that outcomes are interdependent. For instance, a person's wellbeing is defined not just by their overall health but by their safety, opportunities and environment. The effectiveness of community planning therefore depends not just on councils but on the full participation of all relevant partners.

Moreover, community planning partnerships must deliver improvement, and that means prioritising how partners' resources are used to address the outcomes that are important to local communities. That will happen only if we collectively create an environment that gives local organisations the freedom to make those decisions and the tools and skills that they need.

There are high expectations of community planning locally, but they cannot be met without addressing systemic issues that previously had the potential to hold back community planning partnerships. The national community planning group is therefore an important part of strengthening community planning in Scotland, because it focuses on what local community planning partnerships need to flourish.

A major priority is to ensure that all parts of Government and all public services make the shift to prevention, early intervention and a stronger focus on the local place. We are seeing a real shift away from inputs towards outcomes, but we are not there yet. A key issue is translating the consensus about the need for partnership into real change locally. Local communities and local actions are what community planning is all about. Social problems in Glasgow are not the same as those in Moray, so partnerships need to be empowered to work with local people to focus on their priorities. The national group does not replace that local work, but it should mean that CPPs are made more effective because the wider system focuses on that task, too.

**Andrew Robertson (NHS Greater Glasgow and Clyde):** I am pleased to be here and to speak in the national group from a national health service perspective. The NHS in Scotland is fully committed to making community planning work. I and Sandy Watson, who is chair of NHS Tayside, are members of the national community planning group and we act as a conduit to our fellow chairs in Scotland. The factors that determine health and wellbeing are well identified by public health consultants in the NHS but, as you know, few of those factors are within the control of the NHS or, indeed, of any one single party.

The Government has made it clear that the NHS is a key player in community planning and in

delivering better outcomes through single outcome agreements. That clarity is welcome. That understanding was reflected in the productive discussion that Mr Neil and Mr Swinney had with the NHS chairs group in February and in the boards' local delivery plans, which set out how each board is working in partnership and contributing to the six priorities in the SOA guidance. We are in no doubt that acting on and being accountable for those aspects of the local delivery plan is as important as, for example, our particular NHS health improvement, efficiency and governance, access and treatment targets, along with workforce and financial planning.

The benefits for local jobs from procurement at the Southern general hospital are an example of how the NHS can contribute to the wider outcomes that we all seek to achieve. That is interesting work. We have worked with universities, private limited companies, small and medium-sized enterprises and others to help to grow the life sciences industry in Glasgow and Scotland, all out of that initial NHS investment. We are also working closely with schools and with Cardonald College. We have created an extra 480 jobs, 80 of which are for new apprentices. That is the broader aspect on which we can deliver.

We have made good progress since the statement of ambition. The national group has done important work and it is beginning to get its teeth into important issues such as joint resourcing. There is still some way to go, but we are determined to keep going. More than ever, the NHS, local government and other parts of the public and private sectors need to work in partnership with one another and with communities and the third sector to deliver better outcomes. They need to work better together at the level of strategic planning and resourcing, at the front line and at all points in between—that is what community planning is about.

On the back of the statement of ambition, the Government, the national group, the NHS and other partners are bringing renewed energy and focus to community planning. I and other NHS chairs are keen to contribute and are fully supportive of that approach.

11:45

**The Minister for Local Government and Planning (Derek Mackay):** I, too, welcome the committee's interest in the relatively new national community planning group. I am sure that the committee will pick up that a consensus exists on community planning and on the way in which we believe that we can strengthen it and build strong foundations for the future, fuelled by the views of the Accounts Commission and others.

The review that was co-chaired by the Scottish Government and the then president of the Convention of Scottish Local Authorities, Pat Watters, made a clear recommendation that a new national group be set up. We are delighted that Pat Watters took up the chair of that group, which brings together the Government's public sector reform sub-committee, local government colleagues from right across the political spectrum, key agencies and others. Its purpose is to give leadership on community planning nationally and to set the context in which we can deliver a step change in community planning.

The focus is on six key areas: early years, the economy, employment, health inequalities, safer communities and older people. The setting up of the group is very much a response to the recommendations of the Christie commission on prevention, integration, people and improved performance.

I suppose that the committee will be interested to find out what the new group is achieving. We have had early discussions on, among other areas, what partners can bring to the table; support for the highly ambitious statement of ambition; new guidance on single outcome agreements and prevention plans and how they will feed into public sector decisions; engagement with communities; and the capacity of community planning partnerships.

I believe that the new national group will play a key part in the transformation of community planning, which covers other items such as extending the community planning duty to all public sector partners and increased scrutiny through the Accounts Commission, which we have welcomed.

**The Convener:** Thank you.

I will kick off the questioning. During our evidence taking, the committee has heard about real and perceived barriers. Mr Watters was the man who signed up to the concordat, which has seen most ring fencing disappear. However, we have heard today that ring fencing is still seen as a barrier. Is that the case?

**Pat Watters:** The reduction in ring fencing that took place in the 2007-08 budget was welcomed by local government; it was certainly welcomed by me, as a local government member at the time. It has made our job in community planning much easier.

I sat through the first panel's evidence. I think that the point that was made was that pockets of ring fencing—or, to put it another way, jointly agreed priorities—are still coming in. I think that I coined the phrase "jointly agreed priorities". It was then used against me, but there you go.

**The Convener:** Do jointly agreed priorities amount to ring fencing, given that they are jointly agreed?

**Pat Watters:** Unless we agree them, they amount to ring fencing. I am sorry—I should have said that unless local authorities agree them, they amount to ring fencing. Please forgive me—I am finding it difficult to get away from using the terms "we" and "us".

**The Convener:** As someone who wore a local government hat for a number of years, I sometimes wonder which hat I am wearing. I still use the term "we" sometimes.

**Pat Watters:** In general, the reduction in ring fencing has made the job that we are trying to do much easier, because it has freed us up to move on to the next stage, which is to look at how we align our budgets to make the difference that needs to be made. That will be much easier in the future.

**The Convener:** Are there any other barriers that are holding things back and preventing delivery?

**Pat Watters:** Until this point, there have been barriers for us, but they have not been barriers of anyone's making. Derek Mackay and Andrew Robertson touched on the fact that different organisations had different targets and priorities to meet. As the committee heard from the first panel, we are seeing a step change in the way in which people work together in the public sector.

At times in the past, when different organisations came together as community planning partners, if the priorities that they had set touched, that was excellent, but if they did not, it was a case of, "We'll just get on with it anyway." We are saying to community planning partners, "You have to sit down and look at the priorities for your area before you set your budget and then see what resources you can bring to delivering the priorities that you have jointly agreed need to be delivered in that community." That is different from how things were done in the past.

We need to recognise the steps that the Government has taken to make all community planning partners responsible for delivering on that and the steps that local government and other parts of the public sector have taken and the willingness that they have shown in bringing their budgets to the table, in the recognition that education still has to be delivered, hospitals and prisons still have to be run and the police and fire services—I thought that I would just drop that in—still have to meet their responsibilities.

Taking all that into account, we can realistically sit down and get people to commit to doing those things. Some of the barriers that we faced in the past arose from the different targets that people

had, which meant that we could not evaluate progress on the ground. Of course, removing those barriers does not make the problem any easier to address—these things are still as difficult to deliver as they ever were—but we should be able to evaluate the progress that will be made.

**Derek Mackay:** I, too, listened to the earlier very informative evidence session and have also found the Accounts Commission's work and other evidence about the real and perceived barriers to be informative and revealing.

Of course, the local government position as stated by COSLA and every local authority will be to have a maximum increase in budgets, maximum spend and maximum flexibility. Indeed, that is exactly what I would be arguing for if I were back in local government. Through community planning, we are proposing maximum partnership to ensure that each public sector partner can bring to the table every aspect of their energy and resources, be they financial, human or some other asset, to unlock the potential for working on shared priorities or, in other words, the six key areas that have been identified.

I want to highlight the current incredible demand on public services. Over the spending review period from 2007-08 to 2012-13, the Scottish Government's budget increased by 6.4 per cent and local government's budget by 8.9 per cent. The health budget also enjoyed an increase, but that must be set in the context of increasing demand on services, prescribing costs and so on. One of the potential improvements from community planning is that, by getting it right, we will be able to take some of the demand out of the system, make the right interventions and deploy the preventative approach that we have all signed up to. Although I absolutely understand the position of local government, I think that we should welcome it when the Government introduces specifically targeted and focused challenge funds in addition to the resources that have been worked up in partnership.

The earlier comment that, for local government, the trajectory of ring-fenced funds is far lower than it was before is right. However, we must bring together a full understanding of public sector spend and the focus on place. That will be the crucial and pivotal element of community planning.

**The Convener:** We heard earlier that, in the past, the health service itself was seen as a barrier in certain places, sometimes because the HEAT targets did not fall within the single outcome agreement and sometimes because of a different budgetary cycle. Have we got over some of that? Is the health service committed to the agenda right across Scotland?

**Andrew Robertson:** Everyone is committed to the agenda, but there will always be challenges. Interestingly, with regard to the subpriorities of early years, the elderly and reducing reoffending, I note that, with the first, there are some very long outcome targets in mind; with the second, there are a number of very pressing current commitments; and with the third, there is the need to work across a range of different agencies. It is therefore important that information is shared under a methodology that makes sense to ensure that the different timescales and priorities can be appreciated across the board. I have no doubt whatever that that can be done and am really pleased that the Scottish Government and COSLA are working up a methodology for those three areas to ensure that there is a good understanding of the resources that are available in a common way.

**Stewart Stevenson:** There are a couple of dozen people in the national community planning group—five cabinet secretaries, one minister, 10 senior councillors and eight other distinguished luminaries from across Scotland. The group is led by a distinguished and very experienced chair. It is a magnificent organisation. However, in David O'Neill's introductory remarks at the beginning of the previous evidence session, he identified ring fencing—which we have just had a little chat about—and structures. In his preliminary remarks for this evidence session, he discussed systematic issues that have held back community planning partnerships.

We have not done very much—I am not sure that we have done anything—about structures in relation to community planning partnerships, which, Audit Scotland said, cannot show that they have made a significant impact, even 10 years after being given a statutory basis. It might appear to the cynic that all that we have done is to create scaffolding around the structure to prop it up, although I acknowledge that it is high-quality scaffolding. Is it time to scrap those structures altogether and start again?

**Councillor O'Neill:** I do not accept that premise. We are not talking about fiddling at the edges of community planning. As we said earlier, it is a paradigm shift. Perhaps we should have rebadged the group. Perhaps we should have called it something else.

**Stewart Stevenson:** I, too, am prone to using jargon phrases, but what on earth does the man on the Clapham omnibus—the man in the street—take from the words “paradigm shift”? How do we explain that to people?

**Councillor O'Neill:** If I was sitting with members of the public discussing this subject, I am certain that I would not use that type of

language, but because I am in such esteemed company—

**Stewart Stevenson:** Let us lower our game.

**Councillor O'Neill:** Well, you lower yours.

We are talking about something different. There is a recognition that, for the past 10 years, community planning has been all right, but it has not delivered. We need something different, and the proposed bill has given us something different. That does not mean that we will get absolute agreement from everybody all the time. Derek Mackay thinks that the limited amount of ring fencing that is still in place is okay; I do not think so. We will continue to disagree and argue about that.

Part of the issue must be about attitude. As a local councillor, I want the ability to stand on the toes of the local health board and influence how its budget is spent. If I want that ability for me, however, I must be willing to let the health board come and stand on my toes and influence how the council's budget is spent. That is the type of shift that we require and that the proposed bill would put in place.

**Derek Mackay:** Mr Stevenson knows that his starting with a compliment for the national community planning group makes the criticism and the question that he posed all the more potent. Community planning has not been as successful as we would collectively have liked in the public sector, and the question is whether we should therefore scrap it. No—because we know that its foundations are solid, and we can do much better.

A lot of the great projects across the country involving partnership working did not necessarily happen because of strategic planning at the top level of community planning, and perhaps they sometimes happened in spite of it. However, it has at least fuelled good partnerships across the public sector right across the country, and it is responsible for some good work. The points that Audit Scotland made are fair.

We have a structure that we can build on. By extending the duty to all public sector partners, we make it more meaningful, with more hard-edged single outcome agreements focused on place and an understanding of need. What public sector partners can do to address that need is incredibly powerful. There is £60 billion of public sector spend in Scotland, half of which is reserved to Westminster. Of course, I and others would prefer it if it was all controlled by this Parliament.

**Councillor O'Neill:** We disagree on that as well.

**Derek Mackay:** We have a slight disagreement on that, but not on welfare or on other matters, as I am sure the president of COSLA would be keen to

point out. Within the approximate total of £30 billion that is at this Parliament's disposal are health spending, local government spending and other partnership spending. The aim is to reduce duplication and to direct spending to areas where partnership working is incredibly important and will make a real difference. All the changes that we propose in the action plan will make a difference.

12:00

If the test of community planning is whether the public understand it, we may well never succeed. It would be nice to have every man and woman on the street understand the structures and frameworks of community planning, but that is not a testimony to success. Community engagement in decision making and empowering people to influence public sector spend are important. However, the test of success for community planning is for us to be able to evidence that public sector partners, which we should ensure include the third sector and the business community, are working together to tackle the challenges that we face in Scotland from the most local and grass-roots perspective possible.

The test is how we work together to realise the potential and opportunities throughout the country by tackling issues such as inequality and economic opportunity—everything that is outlined in the guidance and the very clear statement of ambition. We have something on which we can build. I am convinced that the action plan that we have set out will help us to do that and that the national group will help to lead that work.

**Stewart Stevenson:** You spoke about robust targets, and we heard earlier about increased scrutiny. Are those the grass-roots targets or the national group's targets? I suspect that, unless the answer is the one that I would prefer, we will not have the paradigm shift that we really want.

**Derek Mackay:** They are both. The people of Scotland expect a well-performing health service so that, when they need care, they will get it, or if they are hospitalised, they will get the best care possible. Therefore, HEAT targets are important. Those targets also relate to health inequalities, which are a matter for other public sector partners, not least for local government in the strategies that it deploys.

Partnership working involves all public sector partners feeling jointly and equally responsible for one another's targets—that is community planning. Delayed discharges are important to both health and social care; tackling inequality is important to all partners; and creating wealth and job opportunities, employability and youth unemployment are shared responsibilities. All targets, such as HEAT targets and the single



outcome agreements—which are agreements with the community planning partnerships, not with the councils—are important. The partnerships will be held to account by local communities, elected members, Government agencies and ministers on their performance against those targets.

There is a new development, which is exciting. In the past, how much challenge was there around the single outcome agreements? They replaced a great deal of bureaucracy, as well as the ring-fenced funding. The new proposals for single outcome agreements will involve greater assurance and probity to ensure that we are testing good practice, meeting the challenges and probing to find out whether there has been a proper focus on place, data, understanding of need and the work that we do in partnership, with a new focus on prevention plans.

The new infrastructure that we propose will make that difference in holding people to account for the joint targets.

**Stewart Stevenson:** You talked about robust targets all the way down, and you said that community planning partnerships will be held to account by communities. How does that happen?

**Derek Mackay:** We would argue that local elected members, in this democratic system—

**Stewart Stevenson:** Please forgive me, minister, but you distinctly mentioned local councillors as part of the holding to account, and then separately you mentioned local communities. How do they separately hold CPPs and others to account?

**Derek Mackay:** The guidance on the single outcome agreements, which was published last December, makes clear that community planning partnerships should publish reports on monitoring arrangements around the targets, and should make those publicly available, although we do not say exactly how that should be done, because that would be overly prescriptive. The public can then challenge those reports and probe them. The Accounts Commission has been given a clear remit to probe community planning, and local elected members, MSPs and others can challenge those publicly available reports.

That is in addition to the community engagement that I expect to happen. The guidance is also clear that there must be that level of involvement in compiling the data and targets, and in analysing them. I expect local elected members and others, as well as the third sector, to fully participate in that. Given the availability of information and the opportunity to challenge, as well as, importantly, the provision of a place at the table in community planning partnerships, there are many opportunities to challenge in the way that you have described.

**Stuart McMillan:** I have a brief question about the membership of the national community planning group. Stewart Stevenson listed the people who are involved, but there is only one representative of voluntary organisations. Is there not an argument for having more than one? Perhaps there could be someone from social enterprise.

**Pat Watters:** The voluntary sector chose who was going to represent it through the Scottish Council for Voluntary Organisations. *[Interruption.]* I accept that perhaps we could make the group bigger—*[Interruption.]*

**The Convener:** Can I stop you there, Pat? Somebody obviously has their phone on and it is interfering with the broadcasting system. Could everybody please ensure that their phone is off? *[Interruption.]*

**Pat Watters:** Mine is in my bag and it is switched off.

**The Convener:** Okay. We will try to continue. I hope that the interference has stopped. Sorry about that, Pat.

**Pat Watters:** We asked the SCVO to provide representation, and we have Alison Elliot on the group. To get consistency, I have not allowed any member to be substituted except for the member from the SCVO, so if Alison cannot make it, there is always representation from the voluntary sector at meetings. If the voluntary sector requested additional representation, I would be happy to sit down with it to discuss that.

**Stuart McMillan:** It strikes me that the group is top heavy with politicians—there are various cabinet secretaries and councillors on it. However, it is supposed to be about community planning, so I would anticipate there being more representatives from community-based organisations.

**Pat Watters:** There has to be a recognition that the national group is not there to deliver community planning.

**Stuart McMillan:** Absolutely.

**Pat Watters:** We are there to help, guide and cajole and to set down guidelines and priorities. In that sense, I need people round the table who can go back and get their organisations committed to delivering. I think that we have been successful at that. It is important that we have some political group leaders to ensure that I can get their groups, and not just individuals, on board.

We are open. Recently, we added John McClelland's organisation—the name escapes me completely—because we thought that there was a gap there. However, if everybody was represented, we could have a group the size of the

Parliament. I am a great believer in getting the least number of people round the table to get the decision that is necessary to take the organisation forward.

**Derek Mackay:** I want to give further reassurance that there are other methods for communicating with the third sector on engaging with community planning. I expect the third sector to be represented in every community planning partnership in the country, and I expect each partnership to have a clear strategy for engagement.

The reference group that is assisting me with the proposed community empowerment and renewal bill, which feeds into community planning, has more than 30 participants, largely from the voluntary sector.

We are content that the balance is right in the national group, which is about how the public sector delivers on this ambitious agenda. However, for other pieces of work, we are well connected to the third sector.

**John Pentland:** There is no doubt in my mind about how seriously you are taking PSR and the way forward. The submission from Mr Watters states that the group has agreed

“to develop a methodology for use by CPPs and individual partners that will mean that from 2014-15”

the new approach will happen in practice. Mr Mackay alluded to that. Will that be binding? Given that 2014-15 is not that far away, when are we likely to see the report on that?

**Pat Watters:** You ask whether it will be binding. We are not there to direct the whole of the public sector. We set out guidelines and hope that people will pick up the new approach. We cannot direct the likes of the health service, even though we have representatives from the NHS; we cannot direct local authorities, which are democratic organisations that are elected to deliver; and we cannot direct other partners—we certainly cannot direct the voluntary sector. However, we can discuss matters and get consensus on how we take the whole thing forward.

We have had buy-in for what we are trying to achieve to the extent that, as of this year, people will take their unset budgets to the table to discuss their priorities and how they can best meet those priorities. The whole public sector has agreed how we will take this forward.

I am not sure when the report will be ready.

**Derek Mackay:** The binding nature of much of this is that we have encouraged public sector partners to behave as if the duty is already extended to all parts of the public sector and to deploy that culture. That is very important for

leadership—that point has featured in the evidence in this debate.

The national group does not direct individual organisations—Mr Watters is absolutely right about that. When it comes to Government agencies or departments, we have been very clear about how seriously they take community planning. For example, the local development and delivery plans for the NHS are to connect to community planning. Local government has the same sense of the importance of that approach through the single outcome agreements and signing up to the statement of ambition. There are different ways to direct, but the national group does not direct; it provides leadership and support. It has done that in the key areas of capacity building, providing support for the statement of ambition and focusing on key areas such as health inequalities.

**Andrew Robertson:** I am really happy that that bit of work is being undertaken. It was prompted, to some extent, by concerns in the health service about the fact that we provide acute services not just for a discrete geographical area. Often, we provide an acute service for a local authority area that does not have that service from a base in another local authority area. Even when we have got that sorted out—I am sure that it can be sorted out—there are issues to do with providing services on a regional or national basis. For example, our acute sector in Glasgow provides services on a regional basis and on a national basis, with different funding coming through for those different areas of work. Those are not barriers, but they are issues that must be looked at, and a sensible methodology must be worked out. We have not seen the methodology yet, but I look forward to seeing it. There is a real commitment to take all the different factors on board and ensure that we contribute in the most helpful way.

**Councillor O'Neill:** I have not detected any unwillingness on the part of partners to take the agenda forward. There is an across-the-board recognition that the Christie road map is absolutely the right thing to do. That goes across agencies and the political spectrum. Everybody is signed up to this.

**The Convener:** You set out guidance, but how can you help to export good practice throughout the country? I am aware that we have sounded rather negative today, but, during the three strands of our inquiry, we have come across very good practice in some areas of the country, which I would like to see replicated elsewhere.

**Derek Mackay:** I am very enthusiastic about that. For the first time, the new single outcome agreements will ask for a prevention plan from each area and details of which interventions are making a difference because they are the right

ones. It is about not just saving money for the public purse, but changing lives. If projects work, we should not leave them as individual, stand-alone projects; we should upscale and mainstream them, ensuring that that best practice is shared throughout the country. The SOA assurance process and prevention plans will give us a much clearer understanding of what is working across the country. We can then share that with other areas to ensure that that good work is replicated throughout the country and informs national decision making.

Through that process, some of the new single outcome agreements that we are receiving now give us examples of great projects that achieve a focus on outcomes, which I will be delighted to visit and see with my own eyes. That must fuel others into action. It is a step change in our understanding of what is going on, and best practice will be shared through the SOA assurance programme.

12:15

The other element, I suppose, relates to the criticism that local community planning partnerships did not previously have the capacity to understand what was happening in other parts of the country. The work by the Improvement Service and by about 20 improvement agencies to build up the capacity of community planning partnerships will ensure that partnerships are better tooled up to take advantage of the good practice that exists elsewhere. Therefore, we should be in a better place to replicate the good practice that we will have learned of through that process of exposure.

**Pat Watters:** As the minister touched on, there are something like 22 and counting—we have not finished counting them yet—improvement organisations in the public sector, if we include both Government and local government bodies. We have charged those organisations to get together to consider how they take this whole thing forward and get the message out about where improvement is taking place and how that might be shared. In local government, the Improvement Service is leading on that and we will get some feedback on how we take matters forward. However, every organisation probably has an improvement service. Given that we are spending that amount of money, we need to ensure that we are getting value for it.

**The Convener:** Does John Pentland want to come back in on that?

**John Pentland:** No, that is fine, convener.

**The Convener:** I have another question on improvement before we move on to Mrs Mitchell's question. With the performance indicators that we

looked at in strand 2 of our inquiry, we should now be able to compare and contrast a bit better than was possible previously. In response to our concerns, we received some positive indications from audit bodies that they will take cognisance of the new performance indicators in their audit processes. Is there agreement from other bodies that they will take cognisance of improvement measures, so that we are not doing the same thing umpteen times?

**Pat Watters:** Certainly, one of our main steps forward was to involve auditors and the Accounts Commission in the national committee. With their help and with the work that they have done over the past six to nine months, we now have the ability to audit how community planning is performing in local areas and get feedback on that. Where things are failing, we can give help and advice and in future we will be able to be proactive rather than reactive. With the steps that are being taken, we welcome the opportunity to get information on where not enough progress is being made.

We have been very clear that, as the committee will have seen, there are excellent examples of community practice taking place in authorities, but there are some very bad examples as well. We are saying that even the best need to improve and everyone needs to come up past where the best is just now. We accept that there is a road to go in tackling the issue, so we welcome any assistance that we get in doing that. The work that the Accounts Commission has done will be invaluable to us into the future.

**Derek Mackay:** The convener makes a valid point. We will all take the performance indicators very seriously and the information that they provide will be very useful, but unless they have a full explanatory narrative, they will tell us how an organisation is doing but not necessarily what it is doing. That is where the prevention plans are important, as they say what the issues are, how they are being addressed and what targets we can set where outcomes are measurable. For example, we know that early years provision can be transformational, but it is hard to measure what it means for someone's life chances in the future in terms of avoiding contact with the justice authorities and so on. We will not write and read reports for the sake of it, but where the information is valuable it will inform future decisions.

I would put a focus on our world-beating work on early years. Even the UK Government's early years adviser has said that the work that we are doing in Scotland around preventative spend in the early years is pioneering, because it works in a very collaborative way by using information in a partnership approach. That is very encouraging, I think.

**Margaret Mitchell:** There has been a recognition for the past 10 years that alternative methods of delivery and partnership working are necessary. That is a given, but those things have not been achieved. You are saying, "We have the foundations. We are confident that this can work." The minister said that if the test is whether an individual understands community partnerships and community planning, we are almost doomed to failure. I put it to you that some of the community groups are delivering just now. They are doing the preventative spend and are very successful. However, when we speak to them, they say that community planning partnerships do not work and that they are a barrier and a waste of space. That comment was made at Friday's Scottish Community Alliance event. How do you bridge that gulf?

**Derek Mackay:** I do not think it is fair to generalise like that. There will always be frustrations when people cannot see how every decision is being made and how every public sector pound is spent. I recognise the frustration from the private sector and parts of the third sector about how community planning has worked. The third sector interface was meant to reduce duplication and provide greater focus on and representation of the third sector among public authorities, but its performance has been variable across the country, as has the performance of community planning.

The Accounts Commission said that there was no evidence that the strategic delivery of interventions has been in place in a way that has led to transformation on the ground. However, I am convinced that, with greater involvement going forward and with space for the third sector to reinvent services, find new ways of working and participate in decisions about budgets and so on, there will be greater buy-in.

I suppose the point that I am making is that if you ask the man or woman in the street how this Parliament works, you find that they do not know about the committee system, stages 1, 2 and 3 of bills and how the budget is approved, although they are very interested in the outcomes, what we vote for and what it means to their lives. It is the same with community planning. The public might not be interested in the infrastructure, the structure or the governance arrangements, but they are very interested in what the public sector does with their taxes, their resources and their local place.

We want greater involvement, greater engagement in decision making and a focus on the sense of place. The Scottish Government has increased support for the third sector. Through the drive that we have supported, the review and the work that we are outlining, I think that there will be greater engagement going forward. I hope it is

clear that it is absolutely important that the third sector is a partner in the future delivery of services and decisions on what should feature in services as part of the engagement strategy and the delivery of services, as you describe. Some of that has happened organically through initiatives and projects. Sometimes people do not realise that something is funded through community planning, because of the partnership funding that is in place. I do not think that the situation is quite as grim as some would have us believe, but I understand the frustration about how the structures might not necessarily have worked for the third sector in the past.

**Andrew Robertson:** I get a great sense that there is a huge wealth of community engagement that is often not tied in formally. Where it is tied in formally—we have public participation forums in each of our community health partnership areas—there really is a sense of engagement and participation in decision making.

On community planning partnerships, in Glasgow the third sector is leading on health inequalities thinking and is preparing a report for the CPP there.

I was recently in discussions with community-based housing associations, which are the ideal anchor organisations. They are well governed within a clear framework and have steady revenue and local representation. They have an increasing appetite for taking on greater involvement in some of these broader issues. I am not really worried about whether they do that as a participant or, because of their locality, as a host. The point is that there really is an appetite. It is always going to be difficult to make that connection and to see that community planning is the approach that takes the prize—I am not sure that that would really be very good anyway. It is important that there is diversity of input and a sense of ownership across the board.

**Margaret Mitchell:** I will put it to you another way. One of the community groups said, "We should be termed the national health service because we deliver healthy outcomes, and the national health service should be the national sickness service because it deals with things when they fail." Where do you, in your planning, recognise what that group is doing? That group is ticking all the boxes, but it feels that it is not being acknowledged.

**Andrew Robertson:** To some extent, the health service was conceived as the ill health service and was all based on treatment. However, with the increasing emphasis on prevention and anticipatory care, and on engagement with patient groups and communities, I refute the idea that we are still the ill health service. There is a real sense that we have a grasp of some of the health

improvement public health issues; part of that is to say, “We ain’t going to do it on our own.” That is what community planning partnerships are all about and we are signed up to ensuring that we are able to share the analyses and information that we have within the NHS, using some of our services, and to getting much better understanding and outcomes.

**Pat Watters:** I recognise some of what Margaret Mitchell is saying, as well. There can be frustration, particularly in the third sector. That is one of the reasons why we have looked at how we deliver community planning, the advice that we give to community planning partners and how we want to see it move forward. That is why we have the third sector on the national group; that is why we have tried not to insist but to encourage every community planning partnership to have the third sector represented on it. Was everything all right in the past? No, it was not. Is it all right just now? It is getting better.

**Margaret Mitchell:** Can I stop you there? It is not necessarily about the third sector. Sometimes community groups see even the third sector as being “the representative”. These are people from the community—a point that is not fully taken on board by community partnerships, as has come through this morning. We need to give them the tools—undoubtedly some people need the tools and governance.

Equally, there are people there with expertise who could run circles round most of the officials and the so-called Government. Where is the recognition of that? Where is the flexibility to make that work and to give them more support to go on delivering as they are just now?

**Pat Watters:** It would be impossible for me, or even for the national group, to say that we will take account of all 5.5 million people in Scotland and use their talents to drive things forward. We have to use the tools that we have to hand at present. We have to try to improve the outcomes within our local communities. That will not always involve the entire community because they do not all want to be involved.

**Margaret Mitchell:** Can I stop you there again? It is not about the entire community; it is not 5.5 million individuals. It is about projects that have sometimes been established for 20-odd years that are working now. Where is the recognition and support for them and the expertise within them? It is not hypothetical.

**Pat Watters:** I am missing your point.

**The Convener:** Minister—you are desperate to come in.

**Councillor O’Neill:** I am desperate to come in as well.

**Derek Mackay:** The president of COSLA is desperate, too. We are probably desperate to recognise the point. I accept the specific point that the member raises is about where to find a safe place for new thinking—for successful projects, for people with expertise to help to design public services in a way that involves people and, potentially, to deliver new initiatives.

Sometimes the public sector is accused of being quite protectionist in doing things how they have always been done and not giving people space to deliver new ideas. That is food for thought. We need to build that in and provide a space in which those who are successful and who have something to bring to the table can contribute. We say that in community planning it is not necessarily just about who sits at the table—although the third sector should be there—but about what you can bring to the table.

However, the member has made a valid point and we will give further thought to how we can expand that safe place for delivering services in a way that can connect great social enterprises or initiatives—or even the private sector—to the public sector in order to meet the challenges.

There is a fair and valid point within that—we do not have all the answers today, but we recognise that. We have to develop and deliver the on-going work streams in a way that we have not done so far. Even though I believe that we have been supportive of the third sector, we still have a long journey to go on.

**The Convener:** I thank David O’Neill for his patience.

**Councillor O’Neill:** I recognise the validity of Margaret Mitchell’s question and the validity of the comments that were made to her.

If what we do is identify someone as the third sector interface and that is where our engagement is, we have failed, because engagement has to be wider than that. The third sector is wide and varied. It ranges from social enterprises, which can be fairly substantial businesses, to the man who runs the local boys football team and who contributes to dealing with health inequalities by keeping young folk fit and healthy. Such people might want to come to us occasionally to ask for something. As Derek Mackay has said, the third sector interface has to be at the community planning table. However, if we have only one form of engagement and we do only one thing, we will have failed.

12:30

**Mark McDonald:** The minister said that people are less interested in the processes, which brought to mind the old Bismarck quote that

"Laws are like sausages. It's better not to see them being made."

Perhaps that applies in this regard, too.

We want community planning to be open to people getting involved in the process. We do not want people just to say, "Here are our ideas," and then have to wait to see what comes out at the end. We want them to be involved throughout.

Earlier, I made the point that I have the impression—certainly from my time as a councillor—that community planning is at risk of drowning in a sea of jargon and impenetrability. How do we make the process more user friendly for communities, so that they can follow it to the point to which they wish to follow it without getting lost in that sea of jargon and impenetrability?

**Derek Mackay:** To a large extent, we just have to get on with it. We can regurgitate words in different forms all we like. The guidance is clear and the law will be clear on how the duty is to be shared. The practical support is increasingly there and the opportunities are there. For example, the step change around bringing budgets to the table before they are agreed is an important shift. That is about properly considering issues of cost-shunting and how the public sector pound is spent locally, with a clear focus on place.

We can descend into the jargon, but what we need to do is pretty clear. Rather than try to explain it to the public, if we do it, we will be judged by our actions. Are the public sector partners coming together to develop projects that make a difference to local lives? Are we taking duplication out of the system and sharing services? Are we consulting properly and getting it right first time rather than having each part of the public sector use its own consultation methods? We should do it right first time, and do it as part of community planning. There are great opportunities.

I am less worried about the rhetoric, because we now have a clear message. The statement of ambition and direction of travel are clear, and we have buy-in right across the public sector. Now we have to get on with it. I do not know whether the public will ever know how community planning has changed lives or changed the potential of local communities. People might never attribute changes to community planning, but we will be able to assess the difference that we have made, because we have challenged the Accounts Commission to scrutinise the performance of community planning.

The local community plan vision, the single outcome agreements and all the accounting arrangements and performance targets that have been set will be able to describe the outcomes. We will not obsess, as we have done in the past,

on inputs; instead the focus will be on the outcomes. If it works, that will be seen on the ground, in what we have delivered, in reducing demand pressures and avoiding negative consequences if, for example, we get reducing reoffending right and provide more support for the early years and tackling health inequalities. It is an ambitious agenda and, if we get it right, it will transform people's lives.

**The Convener:** Does anyone else want to come in on that?

**Andrew Robertson:** I have just one point to make, convener. The minister is absolutely right to talk about projects, but we see the real issue as being to do with core funding and core activities and a completely new alignment of how mainstream services are delivered.

**The Convener:** I will begin to wrap up the discussion.

I do not want to be obsessed by inputs, minister, but you and others have stated that folk will go to the table before their budgets are agreed on. We have heard previously about different budgetary cycles and that the timings of the health service budget do not align with those of the local government budget. How will we deal with that? Will it just be a case of applying a bit of common sense?

**Derek Mackay:** You have helpfully given part of the answer. Some of it is about common sense; some of the barriers are just perceived barriers. The Accounts Commission has made it clear that that approach can happen, as long as organisations are accountable and transparent about what they are doing with public resources. Resources can cross organisations and departments, as long as they are focused on outcomes. We can be creative and imaginative. There is a green light for being imaginative; it can be argued that the public sector is fairly risk averse. We are not saying that we should play fast and loose with public finances, but that people should work together creatively on budget cycles and other resources in order to get it right.

For the first time, we have said at the national planning group that we should do more to align our budgets so that we take out duplication and put maximum energy into getting the public sector spend right. COSLA and the Government will consider the mechanics of that more fully. That is just about the money, but resources include human resources and energy, the untapped potential of local communities and asset plans. There is a great deal of such resource, and we will try to align it as best we can.

Crucially, with the renewed sense of partnership, budget cycles will be less of an issue. Another crucial question that the committee is right

to pose is about what happens if a community plan partnership is not meaningful locally. Our expectation is that every community plan partnership will feel like a board of management. If someone at the table is not the right person to make decisions, they should get someone from their organisation who is the right person. They should get on, or get someone who can get on. If someone cannot contribute to community planning, they should get off, because we want to make it work. That applies to every part of the public sector.

**Stewart Stevenson:** I want to pick up on the hook “fast and loose”. Given that there will likely be huge diversity in what is required in different communities, and that innovation and new solutions will be needed, are the minister and the group prepared for a degree of failure as we try things that have not been tried before without the certainty of success? Indeed, will it be a measure of success if we see some failure?

**Pat Watters:** Getting it right every time and using only tried and tested approaches is not innovation. As long as we and other people learn from mistakes, those mistakes might on the whole be worth while. However, people need to be aware that they are dealing with public funds and delivering highly valued public services to communities. I hope that not many mistakes will be made, so that we can see that we are moving forward. I cannot say that there will never be a mistake.

**Derek Mackay:** Where there is an expectation that we will try new things, we have a preference that an evidence-based approach should be deployed. That is healthy in the public sector. What lies at the heart of the question is that, nationally, we set the context and provide the leadership and direction, but we do not set out absolutely everything that must be done locally. There is a balance in having local solutions to local issues set within a clear national direction. Therein lies a dichotomy. Some people say, “Don’t be too prescriptive, but will you tell us what you want us to do?” That is an issue when we discuss community planning or any relationship between the Scottish Government and local government.

At the heart of the issue is that we are clear about what works and what the priorities are, but we are allowing maximum flexibility for partnership and enough space and room for manoeuvre for local solutions and local approaches. That is absolutely the right balance.

**The Convener:** Thank you very much for your time, gentlemen.

12:38

*Meeting continued in private until 12:58.*





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