



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Wednesday 27 March 2013



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**LOCAL GOVERNMENT AND REGENERATION COMMITTEE**  
**10<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:**

John Downie (Scottish Council for Voluntary Organisations)

Alex Geddes (Nestrans)

Bill Howat (Committee Adviser)

Lorraine McMillan (East Renfrewshire Council)

Derick Murray (Nestrans)

James Thomson (Scott-Moncrieff)

Alison Todd (Children 1st)

Dave Watson (Unison)

Ian Welsh (Health and Social Care Alliance Scotland)

David White (Edinburgh Community Health Partnership)

**CLERK TO THE COMMITTEE**

David Cullum

**LOCATION**

Committee Room 1



## Scottish Parliament

### Local Government and Regeneration Committee

*Wednesday 27 March 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 10th meeting in 2013 of the Local Government and Regeneration Committee. As usual, I ask everyone please to ensure that they have switched off mobile phones and other electronic items.

Agenda item 1 is to decide whether to take agenda item 4 in private. Do members agree that we should do so?

**Members** *indicated agreement.*

## Subordinate Legislation

### Non-Domestic Rates (Enterprise Areas) (Scotland) Amendment Regulations 2013 (SSI 2013/78)

10:00

**The Convener:** Agenda item 2 is subordinate legislation. The committee will consider the Non-Domestic Rates (Enterprise Areas) (Scotland) Amendment Regulations 2013, which are subject to negative procedure.

We have a paper from the clerk that sets out the purpose of the regulations. The Subordinate Legislation Committee determined that it did not need to draw the attention of Parliament to them.

As members have no comments to make on the regulations, do we agree not to make any recommendations on them?

**Members** *indicated agreement.*

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

10:01

**The Convener:** Agenda item 3 is a round-table session in our inquiry on public services reform and local government: strand 3—developing new ways of delivering services.

I welcome our witnesses and thank them for joining us. I ask each of you to introduce yourselves briefly.

**Alison Todd (Children 1st):** I am children and families director at Children 1st. I also have a policy and practice development remit.

**Lorraine McMillan (East Renfrewshire Council):** Good morning. I am the chief executive of East Renfrewshire Council.

**David White (Edinburgh Community Health Partnership):** Good morning. I am the assistant general manager of Edinburgh community health partnership.

**Ian Welsh (Health and Social Care Alliance Scotland):** I am the chief executive of the Health and Social Care Alliance Scotland, which is one of the strategic intermediary bodies in health and social care.

**Alex Geddes (Nestrans):** Good morning. I have been seconded from Grampian Police as a programme co-ordinator for the health and transport action plan in the north-east.

**Derick Murray (Nestrans):** I am the director of the north east of Scotland transport partnership—Nestrans—but I am here representing the north-east of Scotland's health and transport action plan steering group.

**John Downie (Scottish Council for Voluntary Organisations):** I am from the Scottish Council for Voluntary Organisations.

**Dave Watson (Unison):** I am the head of bargaining and campaigns at Unison Scotland.

**James Thomson (Scott-Moncrieff):** Good morning, everyone. I am a public sector audit manager from Scott-Moncrieff. We are one of the leading advisers of the public sector in Scotland, and the leading adviser of the charity sector in Scotland.

**The Convener:** For the record, I should say that I am a member of Unison and a former chair of Nestrans.

No one else has a declaration to make, so we will move on to questions.

I want to start by asking John Downie a question. The first bullet point in the SCVO's written submission says:

"It is important to note that it is really disappointing to see that the Committee's focus of this strand of the inquiry is focussed almost exclusively on the internal operation of Local Authorities."

Why do you get that impression?

**John Downie:** That is what we felt when we looked at the remit; the question that the committee posed looks at that.

The second part of the remit is about

"harnessing the strengths and skills of key public sector partners to deliver the best possible quality services in local areas."

That is the key. John Arbutnott and Bob Black spoke to the committee last month; their evidence showed the difficulty in defining the cost. If Sir John Arbutnott found it difficult in his shared services project to get a real handle on the costs and savings, it will be extremely difficult for organisations external to local authorities, as well.

The point is that shared services are one factor in a bigger picture. We are trying to think about what outcomes we want to achieve from public services. Before we start to think about the likes of benchmarking, we should think about what we want to achieve and how we will measure success in that. For us, that is about local partnerships and local organisations, the public and private sectors and, of course, local people working together. That is the main strand of our approach.

As many people have said over the past couple of years, this is not about doing things to people but about doing things with people. It is about involving communities in the design of public services, and it is about the co-production approach. Third sector organisations will know the cost of contracts that they have with local authorities, but it is extremely difficult for us to find out the internal cost.

It seemed to us when we looked at strand 3 that the emphasis is as we said. Maybe our perception is wrong. However, we think that the second part of your remit is the most important part, because that is where a difference can be made in the inquiry and as we go forward.

**The Convener:** I should put it on the record that there is not an exclusive focus

"on the internal operations of Local Authorities."

That is one reason why the committee decided to go out and about as much as it has done to talk to folk and to communities about exactly how they feel about all of this. We need to make it clear out

there that we are interested in everyone's views on how services are delivered. We very much agree that communities should help to shape services.

We will move on. We have your written submissions, but I would like to ask you about the great achievements that there have been from joint working. What has been Children 1st's greatest achievement from joint working? What were the outcomes as well as the savings, if there have been any?

**Alison Todd:** I have to say that the picture is quite patchy when we look at which local authorities and which other services are willing to engage in joint working. That is because the landscape out there is competitive, which means that people often entrench rather than looking at how they can be most effective and efficient. However, there are always some local authorities and organisations that lead the way in good practice. Our submission gives the example of Dundee, where the third sector and the local authority spent a long time looking at the vision and the outcomes that they wanted to achieve. They put together a funding bid to the Big Lottery Fund, but they also brought in their own resources and shared them; for example, they shared buildings and staff, and looked at skills and how they could use them.

Children 1st also works in partnership with Renfrewshire Council; that is replicated in quite a few local authorities, where we have staff who work within departments. Most recently—although we do not know the outcome—we considered a joint bid with many third sector colleagues who have different skills from us and who operate in different geographical locations.

Some people are leading the way, but we probably have a long way to go to get away from the competitiveness.

**The Convener:** In your submission's comments about the Dundee early intervention team, you state that, as well as working with the council, you are working with Aberlour Child Care Trust, Action for Children and Barnardo's. Is there competition among the organisations?

**Alison Todd:** That was a long process in which everybody got round the table, sat for a long time and planned the work. There were key players from all the organisations who were really keen to put together something that represented the best for the people in Dundee. I am not saying that it is a panacea.

Sometimes other areas do not have the resources to spend so long planning work. Recently, there was a fund for which people were given only about six weeks to return their applications. Had they been given longer, there

would have been much more partnership working and collaboration. Often, we are not afforded the time or the resources to do that.

Partnership working is not easy, and I do not think that people should go into it for the sake of it. We need to remember that it is difficult and it needs to be well planned and well resourced if we are to get the best outcomes at the end.

**The Convener:** You said that timeframes for organising are often quite short. Were service users involved in shaping what you eventually came up with?

**Alison Todd:** It is excellent to have service users' involvement. We regularly give evidence and respond to consultations, but we do not always go out and organise an event with stakeholders. We use the information that comes in quite regularly through our staff, service users and helplines. Our taking on board what we hear from children, young people and families is at the heart of everything that we do. Sometimes we make the mistake of thinking that we have to set up a consultation exercise when often the most vulnerable or the most marginalised people do not have a seat at that table. It is important always to listen to the people whom we work with and to make sure that their views are fed in, even if they do not have a seat at the consultation table.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I want to probe the barriers a little bit. Does tension exist between your simply responding to things that councils and other formal bodies want to do and creating partnerships in that context, and your being the initiators in taking opportunities to build alliances to do new things, rather than just doing the old things better, given that organisations such as yours have expertise that is not present in the formal bodies? That is perhaps a rather complicated question.

**Alison Todd:** If you have a seat at the table it has to be quite long term. You might work with people over a number of years to build up enough trust to be able to share expertise; it does not just happen when a funding opportunity arises or particular criteria come out. We really need to make a change there.

Very often people are invited to the table once it has been decided what services will be delivered. We need to take a big step back and start involving communities and people by saying what outcomes are expected and asking them how we will achieve them. By not inviting people in until later we miss out on many of the skills and assets in our communities and the third sector.

On being at the table and setting the vision, the chances of a small third sector organisation being able to resource that seat at the table are small. In fact, they might not even be invited in the first

place, given that they probably would not be representative—although I am not saying that Children 1st is able to represent everyone. There is a real dilemma around inviting people in and having that planning done in the first instance.

**Stewart Stevenson:** The essence of what you are saying is that if you are building a relationship and sitting around the table with others in the long term, that is the road whereby you will be likely to be able to identify and create projects that will deliver the best outcomes. Are you saying that community planning partnerships are one—but not the only—way of doing that?

**Alison Todd:** Yes. I should add that I am really quite enthused and impressed by the role of the community planning partnerships and by the early years collaboratives and what they are trying to achieve. However, there will be a long journey before we see that across the piece.

The other issue is that we have departments working in silos. We talk about community engagement, but that is not necessarily the role of social services. That is where we need to do much better. We know that the third sector is good at community engagement, as are many staff within local authorities, but we need to make sure that we share that expertise.

10:15

**Stuart McMillan (West Scotland) (SNP):** Alison Todd has answered part of the question that I was going to ask, but there is another element. Paragraph 12 of the written submission from Children 1st refers to a “Lack of money”, and Alison Todd mentioned resources a few moments ago. The paragraph continues:

“This does not always mean the most effective or efficient delivery of services and can have a detrimental effect on the capacity of the third sector.”

Obviously, finances are part of the issue, but planning is another part, and it will be a challenge for all organisations. If Government takes a policy decision that has a short lead-in time, how do you plan for that?

**Alison Todd:** That is incredibly difficult. When there is a short lead-in time, we probably do not always plan and deliver the best services. With a recent funding application, I am sure that we would, if we had had more time, have worked with the other organisations that are in the parenting across Scotland coalition, which is a coalition of many third sector organisations, to put in a joint application. We probably all put in individual applications, which has an impact.

Another point about policy decisions that have a short lead-in time is that we are trying to deal with long-term entrenched problems, but one year's

funding or a snap decision to do something will not always provide the best value for money. We have to prove outcomes within a year or six months, when in fact some of the best interventions take about six years, or even longer, to show results. We need to start trusting a wee bit in what we know is right, rather than trying to get short-term wins.

**Stuart McMillan:** Might that partly explain why some local authorities do not contract out some services to the third sector but instead—as you say in paragraph 12 of your submission—keep some of the resources and try to deliver the services themselves?

**Alison Todd:** There are a few reasons why local authorities keep money in-house. If money is short, local authorities protect the in-house services rather than think about what the outcomes are. If we were absolutely focused on outcomes—even the longer-term ones—local authorities and the third sector would be on an even playing field and we would deliver the services that are best for the people. I do not mean to be critical of local authorities, because we are trying to work together to provide the best outcomes, but the problem is that we are operating in a complex and difficult landscape.

**The Convener:** In many cases, is the work that goes on fund driven rather than community driven?

**Alison Todd:** I think that the work is absolutely fund driven and, often, it is politically driven for short-term wins.

**The Convener:** So, the work might not result in the required outcomes.

**Alison Todd:** That is sometimes true. Until we start using the assets and capacity in communities, we will not get the most effective services. We have lots of evidence that, if we involve communities, people feel valued and feel that they are part of the community and of society. We need to start taking that into consideration when we plan crisis interventions or examine problems.

**James Thomson:** On outcomes and engagement, organisations all too often speak just to those whom they know. There is a role for being more proactive and finding out what is out there, what resources are available and what work is taking place. As we say in our written submission, all too often, everybody suddenly jumps behind the latest model, or the one that is getting a bit of public coverage, and tries to make it work. The focus is on picking up a model, rather than on what we want to deliver and the services that need to be provided to the community or the people who are affected.



**Margaret Mitchell (Central Scotland) (Con):** I am interested in what Alison Todd said about being quite impressed with community planning partnerships. Obviously, the partnerships vary throughout the country. However, just to reinforce the convener's point, we have been out and about around the country speaking to various organisations in the voluntary sector. We certainly did not get Alison Todd's view in the feedback that we heard; some organisations are not even aware that community planning partnerships exist.

It seems to me therefore—this theme comes out of a lot of the submissions—that communication is absolutely key. Alison Todd referred to that in her submission, when she said that rather than have general consultation, perhaps it should be ensured that specific groups are involved in the strategic commissioning. James Thomson's submission referred to community, which is an issue that we thrashed through very early in our evidence taking. There was a very analytical approach to what a community is, so I would like to hear a bit more about that from the witnesses.

There is also the issue of budgets and the silo mentality of protecting one's own budget. Perhaps we could hear views from other members of the panel about budget sharing. It was either East Renfrewshire Council or Nestrans that referred to an honest broker role in trying to get over budget problems. How do other panel members engage with those aspects?

**Derick Murray:** I am happy to respond to that. Shared services are very difficult because "shared services" usually means that there is a lead partner. In my experience, organisations are quite happy with shared services—provided that they are the lead partner. If you are the one who is handing over the service, perhaps you will not be quite so happy with that situation.

We have tried to avoid that situation and to still have, in effect, a shared service and a shared budget. We tried to identify the problem and the common goal through our health and transport action plan. From that, we created a health and transport steering group, which includes NHS Grampian, Nestrans, Aberdeen City Council, Aberdeenshire Council, Moray Council and the Scottish Ambulance Service. We also work jointly with our colleagues at the Highlands and Islands strategic transport partnership. The steering group has done a number of things.

Alex Geddes, who is here, was appointed as a co-ordinator to bring that together. He has been an employee of Grampian Police, so he has been the honest broker who has been able to bring people together around the table and keep them there, which has been quite successful. Seven public sector bodies are funding the information centre that we are setting up to give information on

transport to healthcare. That means that seven different budgets are coming together to put that in place to improve services. The idea that nobody is leading in that process is important, as is the fact that it was set up by somebody who was not employed by any of the bodies that sit on the steering group. Those were useful factors in that achievement.

**The Convener:** Do you want to add to that, Alex?

**Alex Geddes:** Yes. I obviously support what Derick Murray said, and a lot of Alison Todd's comments also rang true for me; being on the ground and doing the day-to-day work, I can agree with a number of her points.

What Derick Murray said is right, because the fact that I do not arrive at the table with a given organisational direction has been a huge help. It means that I can sit and listen to everybody's views and perhaps find some middle ground. I think that that is where Derick was coming from, on where the benefit has been.

In my previous role, for a meeting such as this I would probably have been told beforehand what stance we were taking and what direction we would give. However, with the health and transport action plan steering group I was able, because the police are not part of that group, to sit on it as an honest broker and to listen to everybody's views.

The feedback from the public is the main direction from which I come. In effect, I am almost a mini-community planning officer; I go out to various groups and hear what the issues are. The issue in respect of the information centre was quite clear; there were many good services in different places, and a number of elderly and disabled people did not know how to get information on them. All they were looking for was one phone number with one real person to speak to. The information centre seems to have succeeded in that regard.

**The Convener:** John Pentland has a wee supplementary.

**John Pentland (Motherwell and Wishaw) (Lab):** Alex Geddes and Alison Todd have spoken about various issues. Is it because of those issues that there do not seem to have been many successes? What are the barriers to progress? Can we address those and move forward into a successful period?

**Alex Geddes:** As Derick Murray outlined, we need to look at who is sitting on the steering group. The group involves several public sector bodies, and we are trying to amalgamate all the different cultures, policies and directions in some form. We need to work through and understand the various working practices.

Another important issue is that, when we speak about sharing services, people automatically think of job cuts and that type of thing because of the various cuts that have been made, so there is a little bit of resistance to the idea. The important thing—Alison Todd might take a different view—is that we understand the working practices, policies and cultures of each organisation and try to find some middle ground where everyone can benefit, even just a little bit.

**The Convener:** Margaret Mitchell highlighted East Renfrewshire too—would Lorraine McMillan like to come in on that point?

**Margaret Mitchell:** It would be interesting to hear her take on shared services.

**Lorraine McMillan:** I thank the convener for inviting me to speak. Our big success has been our community health and care partnership, which is a very large—and, we believe, very successful—shared service. It has been operating since 2006 and combines all the health and social care staff in NHS Greater Glasgow and Clyde and the council in one organisation.

The body has not been formally set up as such, so the staff are still employed by their original organisation, but they work jointly and seamlessly and share offices and management. One director is responsible for all the staff involved, and we have some heads of service who are employed by the national health service and some who are employed by the council. The staff work as one team to such an extent that, when I meet a CHCP staff member, I genuinely do not know whether they are employed by the NHS or the council. It does not matter, as many of them will have joint roles.

We did that primarily to improve outcomes for our residents. It was not primarily about cost saving, although we have made cost savings through sharing management; it was about providing better services to our residents. The arrangement covers everything from children's services to older people's services, and includes a wide range of areas such as criminal justice and learning disabilities.

The whole concept involves working together and focusing on outcomes. Everything is jointly planned and the finances are jointly managed, and there is a focus on delivering benefits. We have had good reviews from evaluations and audits of the services, and we can see the difference that our work has made to the lives of our residents. The key is good partnership working and being seen to focus on that.

I will give one example. Like many councils throughout Scotland, we are working closely on re-enablement. If an older person is unlucky enough to have a fall and ends up in hospital, we focus

largely—working jointly with the NHS—on getting that person back to their own house and living independently, because that is generally what people want. We are putting intensive resources in when people come out of hospital to get them living independently, and we believe that we can do that better because we are working jointly. We do not have barriers, as we have joint teams. The same goes for areas such as children's services, mental health and learning disabilities—there is one team that focuses completely on what the residents want.

I am happy to answer any detailed questions.

**Margaret Mitchell:** I am sure that putting that arrangement in place was not entirely problem free. What were the barriers to achieving what you managed to achieve?

10:30

**Lorraine McMillan:** You are always on a learning curve for the first couple of years when you set up such an arrangement. I will focus on what worked and why I think it was successful—I should also say that it was set up prior to my becoming chief executive and that I was therefore not in the organisation at the time. The good partnership working between councils and the NHS and particularly in the senior team, who wanted it to happen, meant that everyone focused on how we could improve services and did not let organisational barriers get in the way. There was a very clear leadership role in all of this happening.

**Margaret Mitchell:** Were there meetings to explain what people were trying to achieve?

**Lorraine McMillan:** Yes.

**Margaret Mitchell:** It seems that we are returning to the communication issue.

**Lorraine McMillan:** There were many meetings. At the time, I was involved in a different role—I was a community planning partner—and remember the excitement at the meeting at which we got everything signed and done.

There were problems, of course, but we overcame some of them. Staff did not change their employer and the history of good partnership working right from the beginning meant that relationships were very strong. I know that there are a number of community health and care partnerships across Scotland with a set-up similar to ours, but the main reason for our own set-up's success is the fact that we are bringing people together and focusing on outcomes.

As I have said, this has not been without its problems. We have had to look at how someone who is employed by the council, say, manages an NHS employee, how we jointly manage finances

and how we deal with staff working with different human resources policies. However, we have worked through all that with, for example, the unions and have worked very closely to ensure that our approach works. We have been operating for so many years now that the whole thing is pretty seamless.

**The Convener:** I will take a brief supplementary from Stewart Stevenson before we move on to Stuart McMillan.

**Stewart Stevenson:** I am delighted to hear about successes, but I would also like to hear about—I will use the words—failures and difficulties, in particular difficulties that it is beyond the capacity of those around the table to deal with. When I say that the difficulties are beyond their capacity, I am referring not to an individual's capacity but to the inability to deal with various legislative barriers and so on. Hearing some examples of where it has not been possible to proceed in a useful way would allow the committee to say something other than, "It's all very nice out there." I am directing that question not at anyone in particular but, I hope, at everyone at the table, because we will be able to take those comments away and make a difference on behalf of everyone who engages with us.

**The Convener:** Have there been any difficulties, Lorraine?

**Lorraine McMillan:** Although we have not come across any insurmountable difficulties in our CHCP, we have highlighted some general difficulties with procurement. I am not a procurement expert and would not even try to answer any detailed questions on the matter, but I think that it can cause general problems in service reform.

Alison Todd referred to certain challenges with the third sector. We have worked very closely with our third sector—indeed, we were heavily involved in pilots on joint working with the sector—but after that you have to deal with procurement. That can give rise to challenges, but good can come of that kind of approach.

Public sector bodies sometimes find it difficult to work together easily because of procurement rules. As I have said, I am not an expert in the subject, but I think that it also has something to do with the role of Europe and how some of the procurement rules have been set up—

**The Convener:** Can I stop you there? We hear about barriers all the time with regard to procurement rules but, when you sit down and talk to folk, as I have done in the past at a local authority level, you find that the barrier does not exist. How many of your staff or partners involved in this work might be putting up that additional

procurement barrier because they are unhappy about the coming change?

**Lorraine McMillan:** As we stress in our evidence, you need to take a lot of time—I was going to say "to find a way round this", but that is not the right phrase; perhaps it would be better to say "to find a way to legally work through procurement". I cannot think of many examples where procurement has been an absolute barrier, but its complexity can in turn make other things quite complex.

As an example, I am playing a national role in leading for local government on how we take forward information and communication technology at a national level in Scotland; indeed, it is mentioned in our submission. We are considering how to better share ICT skills and expertise across local authorities and with colleagues in the Scottish Government and elsewhere. That is not a formal share service; it is about how we share skills and how we can do things better and more quickly together. The strategy for that is in the public domain. It can be a barrier if one council has procured an ICT solution, as it is difficult to share that. We think that the way around that—we have got our lawyers and Scotland Excel working on this—is to ask local authorities to put certain phrases into their procurement that open up the contract and the application for other councils to use. In that we can get economies of scale and we could get a better price—there are better ways of doing it. We are working on how to handle procurement appropriately rather than treating it as a barrier.

**Stuart McMillan:** It would be useful for the committee to get some further examples in writing about the barriers that relate to Europe.

One of the key things that the committee has heard from many witnesses is that, in the main, people tend not to care where the service comes from as long as they get it. At the same time, organisations such as the CHCPs are in operation. What is the public perception of the CHCP in East Renfrewshire and what have you done to inform people about the role of the CHCP?

**The Convener:** I will ask David White to answer that from the perspective of an Edinburgh community health partnership, given that a huge amount of the questioning so far has been directed at Lorraine McMillan. Perhaps she will want to come in briefly after that.

**David White:** I am sorry if this is slightly oblique to the question, but I have been waiting to address the point about failure. It would be unusual if public bodies and community planning partnerships around the country were not able to point to a number of significant innovations and achievements in improving services, community

engagement and outcomes. However, what we lack in Scotland is an example of an area of long-standing, recognised deprivation where the life chances of the people living in that area have been substantially improved by the significant attention and expenditure on public services that there has been over the past 30 years or so.

My colleague gave an excellent example of community health and social care partnerships coming together and what they can achieve, but community planning is not able and does not have sufficient weight to get into areas of deprivation and change the way in which we deliver public services in those areas to make them effective. The people who work in those areas know very well that we are not producing good outcomes as we are currently configured.

**The Convener:** Does Lorraine McMillan want to comment briefly about the East Renfrewshire experience?

**Lorraine McMillan:** I understand from our customer feedback and the fact that the outcomes that we want to achieve are improving that the perception of our CHCP is very good. Reflecting on what David White said, I think that the shared service and the shared work help us to focus on areas of deprivation. Every six months, Robert Calderwood and I do a review with the CHCP and we focus on how our indicators in the deprived areas of East Renfrewshire compare and whether they are improving. Even if we see an overall improvement in outcomes, we are not content with that and we do a lot of work on early years. We take an area-based approach, focusing on outcomes and working with the community and the third sector to drive up outcomes. We are all focusing on that through joint working and the community planning partnership. Our top priority at the moment is the early years agenda, particularly in some of our deprived areas, where people's life chances are considerably different from those of people who live 5 or 10 miles down the road. If used well, community planning and CHCPs can drive that focus on outcomes.

**John Downie:** Where to start? I totally agree with David White. We are not getting the right outcomes in our most deprived areas. A number of people have mentioned barriers and, as we have heard from some of the answers, the picture is extremely complex. Procurement is a barrier and, as Alison Todd said, one-year funding is a barrier. We have some endemic problems, such as child poverty, and a range of other issues, and we have to think about how we fund the solutions and deal with those problems in the longer term.

That is not to say that we will not review, benchmark or assess what is happening, but we need to think longer term. The Scottish Government is currently running a lot of initiatives

such as the early years collaboration and the recently announced focus of Voluntary Action Scotland, Barnardo's and the Improvement Service on getting the early years initiative embedded in community planning partnerships. Unfortunately, however, too many initiatives are working in isolation and are not joined up. That is part of the problem.

There is also a particular problem with the culture around procurement. A procurement bill is about to be introduced, and there is a meeting about that tomorrow. We can have the best bill in the world, but the issue is the culture of implementation in local authorities, health boards and others. We have lots of examples of good practice and successes, but we are not at the tipping point where they become mainstream.

**The Convener:** Give us some examples that you think are good in the procurement sphere and some that you think are bad.

**John Downie:** There is a recent list containing some of the stuff around the joint improvement teams and health. Some local authorities, such as Dundee, are working closely with the third sector and engaging with communities.

Equally, we are in a big culture change. I was talking to a senior official from a local authority about health and social care integration. They went into the first meeting with a plan, but the health board just assumed that it was going to be running health and social care integration. Six months down the line, they are in the same office and they are talking. The massive culture change was the biggest barrier and I am sure that, in the end, the change will be effective. We have seen what has happened in Highland Council. It has reached a certain point, but it still has a lot of hard work to do before it delivers the outcomes that we are trying to achieve.

There are funding issues. We need to think more in terms of strategic investment. We need to get better at thinking about procurement and about the outcomes that we are trying to achieve. We have heard that public sector organisations have different cultures and different ways of working, and that is another barrier. It can be overcome but, as Lorraine McMillan said, it takes leadership and focus.

I chair a social enterprise that works in partnership with a few larger third sector organisations, and the differences between work cultures within that sector are stark. We work with Enable Scotland, which has a director of personalisation, so there is a change in the business model and the way in which we do things. We are also working with another large social care organisation—I will not name it—and,

as one of our staff said, it is like working with a local authority.

Culture change is needed elsewhere as well. We are not saying that this is just about the public sector. The third sector needs to think about collaboration. It cannot be done on a short timescale; it has to be thought through and the outcomes and how it is going to work have to be considered.

**Lorraine McMillan:** I want to reflect on what John Downie said about personalisation. The committee should be aware of it. The move towards working with our older people and helping them to choose the support that they need is a fundamental change that is happening across Scotland. It will change procurement completely, because people will choose their own support package with the local authority, and many will go to the third sector because it has been very effective in delivering health and social care.

10:45

**John Pentland:** Mr Downie, in your submission you suggested that we should

“break the relationship”

between

“procurement and competitive tendering.”

How can that happen? If it happens, will there be more success in sharing services?

**John Downie:** There could be. In the context of competitive tendering, people talk about best value, quality, outcomes and so on, but most of the time it all comes down to money and cost. That element has overwhelmed the procurement process, as has the culture of saying, “Let’s not take a risk here; let’s go through a process.”

The Scottish Government is spending approximately £9 billion a year, but we are not thinking about how that procurement can be used to build resilient communities, create jobs in local businesses and sustain local economies. We are thinking purely in terms of pounds, shillings and pence. We procure tables and chairs in the same way as we procure people services, which is absolutely the wrong way to go about things—I see that Ian Welsh is nodding; he has a lot of experience of that.

We need to think about different ways of procuring. Of course some things should be done on price but, when it comes to people services, we must think about the longer-term objectives and the outcomes that we want. Competitive tendering does not do that.

I am happy to provide a more detailed submission on the issue, because we responded to the consultation on the proposed procurement

reform bill. We emphasised that we need a threshold below which decisions can be made and above which there needs to be tendering—that relates to some of what Lorraine McMillan said about local authority procurement. We can give the system some flexibility.

We need to think clearly about the social impact of procurement. It is not just about community benefit clauses; it is about the wider social impact. Environmental concerns, help for local businesses and the creation of local jobs should all be factors in the procurement process, and competitive tendering does not allow for that.

**Dave Watson:** We have been talking about barriers. From a staff perspective, whether we are talking about the voluntary sector or councils, a problem is that we are coming out of the latest fad. Management consultants have been selling the idea that big is beautiful, so we have had economies of scale and huge back-office/front-office splits. That has been the fad. We have discovered, in a painful and costly way, that that does not work. In our evidence we set out a range of reasons for that.

Part of the problem is cultural. In essence, what happens is that people come along with a top-down solution. We talked about engaging users, but there is also the issue to do with engaging front-line staff. When we were involved in the report of the Christie commission on the future delivery of public services, groups of staff would often tell us, “Well, a management consultant came along and nobbled the chief executive, so now we have the latest brilliant scheme, but nobody asked us what the best way was of delivering the service.” Organisations ended up with a back-office/front-office split and call centres in which staff spend 85 per cent of their time dealing with failures of the system rather than with what staff want. The lessons—

**The Convener:** Can I stop you there? You said, “what staff want”. We are looking at the delivery of services to the public. Sometimes it is difficult to change staff’s attitudes in relation to service delivery. Will you comment on that?

**Dave Watson:** Let me give you an example that came up in our work on the Christie commission—it relates to revenues and benefits. We asked a member of the staff who operate the one-stop shop, “What’s the problem with you dealing with people’s problems in the first place?” She said, “Well, we used to do that, but they created this back-office structure and now we’re only allowed to deal with 20 per cent of the problems that come through the door. We have to punt the other 80 per cent off to a call centre.” The call centre staff, who were sitting round the same table, said, “Yes, that’s absolutely right. We just pass the problem around the system.”

My point is that we need to ask the staff. They are the people who deal with the public daily and who can make a contribution. That does not mean that we automatically follow everything that they say but, historically, staff have not been engaged in the process. It has been top down, with the high heid yins deciding what will happen.

**The Convener:** I will not ask you to name the authority from which your example was taken, but it would be interesting for the committee to know that. Perhaps you will tell the clerks.

**Dave Watson:** Sure.

**The Convener:** I am conscious that Ian Welsh has not been earning his keep. John Downie mentioned Ian in relation to the procurement of personal care in comparison with goods. Does Ian want to comment on that?

**Ian Welsh:** I will make some wider comments and I will pick up on that issue. I am sure that John Downie agrees that we speak predominantly from a third sector perspective. I reiterate the points that were made in our submission about the third sector's scale. The number of organisations that work even in my part of the third sector is enormous. The sector's collective turnover is substantial and the collective workforce is significant.

I am one of the older people in the room. I am a former council leader and I sit on a health board, so I see all facets. In my view, the third sector is still not operating with the parity of esteem that is required if we are to look towards a new Scotland—it will be a new Scotland, whether that involves devolution or independence. If we are looking towards that and a new way of working, the third sector needs parity of esteem. The sector needs to be more than a token presence in community planning partnerships, which might have 20 officials to one token third sector representative.

An issue relates to the way in which statutory services hold and disburse resources—it also applies a wee bit to central Government. Parity of esteem is always enhanced when there is more parity of resources. Resource transfer is a crucial part of the business. When a local or national third sector organisation sits at a table and all the resources are stacked on one side of that table, that leads to inequity in how people are perceived. That is an important point.

**The Convener:** You say that the folks on the other side of the table hold the purse strings. Does that mean that third sector organisations sometimes change their view of what is required to deliver the best service, because they recognise that those who hold the purse strings will not go that way, which might mean that the desired outcomes are not achieved?

**Ian Welsh:** No. I have enough confidence in my third sector colleagues to know that they are assertive and champions in the search for positive outcomes for people. However, I will say something in defence of Children 1st and others, because I ran a large set of United Kingdom national organisations. If people are in the world of chasing business, they will be competitive in pursuit of that.

We all need to have a bit of context to the debate. We must remember that there is a huge track record of success on partnership working, difficult though that is. I take great pleasure in reminding myself of the range of positive partnerships that have taken place in the past 30 years, when I have been involved in public life. Sometimes, we forget that we have a track record of partnership working.

As we speak, there is an absolutely huge platform of successful joint working locally in organisations that are sometimes invisible to statutory services and which we need to make visible through an asset-mapping process. If we do not demonstrate that, we will be unable to rebuild or replatform for the next five or 10 years.

For what it is worth, my view is that, although the shared services agenda has—rightly—concentrated on cost efficiencies at the strategic level of local authorities and health boards, it has largely cut out the local agenda, broadly speaking. That is where the point that John Downie made about procurement struck home for me. Post 1996, I was involved in setting up the predecessor to Scotland Excel, and it is distressing for me to discover that we now procure care services for people in the same way that we procure tables or televisions. Although there are hopes of fresh, green shoots of recovery through the current emphasis on joint strategic commissioning, it remains to be seen whether that humanity will be brought back into the system and whether collaborative strategic commissioning will replace procurement, especially in the fields of health and social care.

As some of you will know, my organisation wrote the self-management strategy for Scotland, which many of you have been involved with. We disburse money to projects that are about building resilience in asset-based approaches with individuals. That initiative reflects a range of other initiatives, including self-directed support, independent living, asset-based approaches and co-production, which has been mentioned. The local government, health board and regeneration communities need to think much more about the culture change—to which John Downie alluded—that will be required not only among the leaders in local authorities and health boards, but among the staff to ensure that they are equipped to handle

that new platform of approaches over the next five to 10 years.

**Alison Todd:** I agree with everything that Ian Welsh has said. I am sure that the third sector would not jeopardise outcomes in the delivery of services. However, if there is an opportunity to deliver a service but the advice is that that service should not be delivered through volunteers, organisations will not submit applications that involve delivering that service through volunteers. Volunteers are not cheap—they have to be trained and supported—but they could be a big aspect of the social impact that John Downie mentioned.

Overall, we can change the culture not through legislation but through looking at procurement and tendering. If we pulled together some of the key principles and good practice right across Scotland, we could make a better job of it. At the moment, it is definitely not delivering the best results.

**The Convener:** I have a huge list of people who want to speak. I will try to squeeze everybody in, but I ask everyone to cut down on the supplementaries, if possible, and to be brief, please.

**Anne McTaggart (Glasgow) (Lab):** I am not sure how brief I can be, convener.

**Stewart Stevenson:** Give it a try.

**Anne McTaggart:** Somebody mentioned child poverty. I am listening to what everybody has to say this morning—thank you all for being here. Morally, if not through our workplace, we all have a role to play in tackling poverty in deprived areas. What has stopped people achieving the outcomes that we should be achieving in deprived areas? What has stopped us trying to eradicate poverty and get better outcomes? We are all in that business. What has stopped us achieving those outcomes? I ask David White to answer first, then the other Dave.

**David White:** I will pepper that with an example that I know you are aware of. A couple of years ago, not far from here, a young man died of a drugs overdose in an area of deprivation. When we had a close look at his case as part of the total place initiative that we are doing in Edinburgh, we discovered that, over the previous two weeks of his life, 22 different interventions had been made by different public service agencies. The police, the doctors, the substance abuse nurses, the third sector, the social workers and the housing people had been in, yet we were unable to divert that outcome for that case. That is why I say that, in areas of deprivation, there is a plethora of public service agencies trying to do a good job but they are constrained by the current organisational boundaries.

11:00

I come back to Dave Watson's point about the knowledge of staff. We found that staff were not doing that unconsciously. They knew that they were constrained in helping people—that is not an isolated example. A colleague in Stirling Council recently went through a case involving a family with four children. Some £2.1 million was spent over about 10 years on a single family, yet the outcomes for it were shocking. That was not because no one cared or because people did not know what to do; it was because they were constrained.

It comes down to community planning, which holds some of the keys to unlocking the ineffective delivery of public services in areas of deprivation. I can speak more about the interesting work that is coming out of the total place initiative in Edinburgh if you wish.

**Dave Watson:** We should not lose sight of the bigger picture. At the end of the day, problems in deprived communities are about inequality, and frankly this committee alone is not going to resolve that issue. There is an issue about resource targeting in communities as well.

On the barriers to joint working, in addition to the one that I mentioned, we make procurement hard work. There is guidance out there—I was involved in drafting some of the Scottish Government guidance around shared service procurement. However, there is too much focus on contracts, which leads to market solutions, fragmentation and a race to the bottom. We got the 15-minute care visits through that type of approach. We do not have to do it in that way. There are exemptions in European law in relation to social care procurement, and there are different ways of doing it. You can do it through agreements—you do not always have to have a contract.

The second barrier is to do with some of the staffing issues. In our written evidence, we set out a framework of ways to try to deal with some of those issues. Those barriers do not need to be there, but we are constantly reinventing the wheel. Every time we have a new community partnership, there is another reinvention of the wheel. Every time there is new legislation in this Parliament, we reinvent the wheel on some of those staffing issues.

The last barrier is to do with Stewart Stevenson's earlier point, which people have missed. If we look back to the Christie report, the one point that has not come out in any of the legislation is to do with some of the barriers that the different agencies highlighted around different performance management systems and statutory duties. No one has tackled that issue at all. There

is a very good section in the Christie report that I recommend that you read if you want to sort out some of those barriers on the ground.

**The Convener:** Three MSP colleagues want to come in with supplementaries. I tell you now, folks—if they are not supplementaries to what has just been said, I will cut you off, because I have a big list of people who want to speak.

**John Pentland:** I am frightened to ask this question now. It goes back to what Ian Welsh said about his service and the great successes that there have been through the joint working partnerships and so on. I wonder whether there is a slight issue or indeed a barrier because Ian Welsh's organisation is core funded through the Scottish Government, whereas some of the problems and the barriers are around those voluntary organisations that are dependent on grants or support from local authorities.

**Ian Welsh:** That is true. However, to be optimistic, the third sector interface that has been organised through Voluntary Action Scotland was a really considered attempt to build capacity in local areas and I think that that has worked, so every local authority has a third sector interface. However, the capacity of those organisations—and they are funded through Government—is light in the face of the welter of responsibilities that they carry to consider the range of issues that are in front of them. That is the issue. There has been work on capacity building in the third sector, but a significant amount of additional work is required.

**The Convener:** Okay. I call Stewart Stevenson—briefly, please.

**Stewart Stevenson:** When David White mentioned the family that a large amount of money had been spent on over 10 years, he dropped in that “they were constrained”, but he did not describe the constraints. Could we hear what they were?

**David White:** The police officers, teachers, doctors and social workers who work with 80 per cent of the Scottish population have the same job descriptions as those who work in areas of deprivation, yet the challenge that those people face on a day-to-day basis is quite different. As public bodies, we do little to recognise that by training people to work effectively in areas of deprivation. Individuals who work in those areas face a profoundly different challenge. They have to cross boundaries.

**The Convener:** What about getting it right for every child?

**David White:** I believe that GIRFEC is a bright spot. It begins to show how we can be a bit more flexible in the delivery of public services for children.

**Stewart Stevenson:** Are we saying that job descriptions, rather than setting the minimum that is required in a job, have become constraints?

**David White:** I used the example of job descriptions to illustrate a wider point. The silos work well for the delivery of public services to 80 per cent of the Scottish population, but they do not work well for complex, vulnerable people. We waste money and we do not get good outcomes.

**The Convener:** It would be interesting for the committee to see a breakdown of the monetary spend on that family, if that could be provided to the clerks.

What aggrieves me about today's world is that common sense sometimes goes out the window.

**Stuart McMillan:** I would like to follow up on the two examples that David White gave and Stewart Stevenson's point about job descriptions. Was information sharing between organisations a key barrier, for the reasons that have been discussed?

**David White:** I have heard my colleague from Stirling talk a lot about perceptions of barriers to information sharing. The same issue has been highlighted when we have talked to staff as part of the total place initiative in Edinburgh. Much of the time, the equipment is there to enable information to be shared but, perceptually, staff still struggle with that. There is certainly a difficulty with sharing information with the third sector, and many of us believe that that is completely outdated.

**The Convener:** We will now hear from the very patient James Thomson.

**James Thomson:** I have a few points to add to what I was going to say, but I will be brief.

Margaret Mitchell asked about communities and how they are defined. There is the issue of general interests; communities are not just geographic entities and they vary within wards. My home town of West Kilbride is in a multimember ward in North Ayrshire. It is very different from Arran and the communities and identities there. Arran is being looked at because of what happened at the weekend and the impact that that has had and is still having on many individuals, but that has brought the community together. What a community is needs to be decided at the start of the process to work out the best model to help that community.

**The Convener:** Who decides that?

**James Thomson:** That is a nice question. Given that the focus is on what we want to deliver, why not involve the communities—the local people themselves? The partners who are at the table today have tried to take the opportunity to present their case. That is more the case with the other organisations than it is with me, as I work across a



number of partners and agencies. They all want the opportunity to say to the committee, "This is why we are here—this is what we can do," but why is that not being said at the community level? Why are people not involving those organisations? Why are they having to come before the committee to state their case and to allow their message to come out? That is one of the barriers, although it is not a legislative one. There is a feeling that organisations have not looked at who is involved in such areas.

Another issue is accountability. David White mentioned the horrendous example of a particular individual and the number of organisations that had worked together. When I work with public sector organisations to help them to set targets and measures to demonstrate what they are doing, a line that I often get back is, "There are a number of factors and a number of organisations involved." That is a nice way for people to wash their hands of a situation. All the organisations that were involved had a responsibility. Unfortunately, all of them failed. We need to take accountability and to hold people accountable.

We state in our submission the need for strong leadership and for people to stand up and say, "This is what we're going to do. These are our targets and objectives." Ian Welsh has been in public service for 30 years, whereas I have worked in or alongside the public sector for only 14 years but, throughout that time, the desired outcomes have been the same: to take care of our elderly and to provide a good education service and a good health service. The outcomes that we are all striving for have been the same. If we start from that focal point, that will help to generate the service, what we need to do and the best model to deliver it.

**The Convener:** Alex Geddes wanted to come in, although perhaps the moment has gone.

**Alex Geddes:** I will be brief. I support the comments by Dave Watson and Mr Stevenson on the difficulties that we face. From my perspective, the important part is engaging with staff who are doing the job. For me, the starting point was the community and identifying the needs and the outcomes that the community hoped for. The next stage was engaging with staff, who have a wealth of experience, and asking them how to resolve the issues. The final stage was the health and transport action plan steering group, which allowed me to report back on all those findings to senior management and, hopefully, to get the outcome that we were looking for. I think that we succeeded in that but, if it was not for the steering group, I would have really struggled.

**Lorraine McMillan:** As part of the learning for the inquiry, the committee might want to review the early years collaborative work that is going on.

That work is at an early stage, but it is happening across Scotland and it is a new approach. It is focused on child poverty and how the partners can join up. It involves the voluntary sector and community engagement. The committee might find it of interest to monitor that in taking forward its inquiry.

**Alison Todd:** I will briefly pick up on the tragic story about the young man who died. In less than 10 per cent of serious child death reviews do we ask the family what could have been done differently, what we could have learned and what would have helped. That is probably also the case with deaths of elderly people and those who are involved in drug and substance misuse. That is at the heart of what is wrong. We are not asking the people who have the answers because, as professionals, we often think that we have the answers.

**The Convener:** The next question is from the ultra-patient John Wilson.

**John Wilson (Central Scotland) (SNP):** Thank you, convener. I draw attention to my entry in the register of members' interests as a trade union member and as the chair of a community-based organisation that is working hard to deliver local services for local people.

To give an example of the struggle that community organisations face when they identify solutions for their community and make written submissions to local authorities, at a meeting last night, I found that an organisation had asked for £97,000 to deliver a range of services but was then offered £22,000 to deliver the same range of services. That is what we are trying to deal with.

It is good that a range of individuals from local authorities and the professional voluntary sector organisations are represented round the table today. They can make their case and articulate arguments, because many of them are sitting at the table where decisions are made, but many community organisations and groups are not at the table and are not engaged in that process. How do we turn that round to ensure that we deliver services that communities need rather than what officials in the community planning partnerships think that they need? There is a disjointedness in the work that we are trying to do, because what we think that communities need might not always be what they think should and could be delivered cost effectively. I throw that question out to the panel.

**David White:** I will just say a word about community engagement, using the example of child deaths that was mentioned. Every time there is a child death, we in public services agonise about what we could have done better, how our information sharing has or has not worked and

whether enough health visitors, midwives or social workers were involved. However, we fail to ask whether we have engaged the community in trying to make it a safer place for children. We do not take community engagement seriously enough to believe that it can solve problems at the hard end.

11:15

**The Convener:** To add to what John Wilson said, I note that there has been community engagement in some places again and again. Communities become bored with that when they do not see tangible change.

**David White:** It is a difficult problem. Public services often engage communities on those public services' own terms—that is where we go wrong.

**The Convener:** That is an interesting comment.

**Ian Welsh:** I was intrigued by John Wilson's comment. We sometimes forget what we have already invented. We have national standards for community engagement that local authorities, health boards and others are encouraged to use. My third sector colleagues at the Scottish Community Development Centre framed those national standards, and they should be operated by everybody who wants to get a handle on community engagement.

My organisation has a project called delivering assisted living lifestyles at scale, on which it is collaborating with the Glasgow School of Art. That project has a more modern approach to community engagement in stimulating local activity, which I commend.

As well as representing the Health and Social Care Alliance, I am a person in my own right. I work locally and have chequered relationships as a result. I chair the Ayr Gaiety Partnership, which has spent a troublesome four years trying to bludgeon the local authority towards a position where it can liberate itself from the burden of running the Gaiety theatre. Overcoming all the bureaucratic constraints that exist between accounts and resource transfer was a challenge.

I also chair the Ayr United football academy—a noble endeavour, as I am a Kilmarnock supporter. That is a different type of organisation. As John Wilson said, we took a challenge to set up a scheme for young sporting people. We formed a partnership of all the agencies, including the health board and the local authority, and we parlayed a bit of money into quite a lot of money. We do that successively—lots of organisations do that.

I noticed that James Thomson was flagging up the development of community franchises and social enterprises as examples of new

approaches. Public social partnerships would be another approach. My challenge to the statutory sector is to be a wee bit more forward thinking and proactive. We talked about how to use resources. We should see resources as community investments in different methods of engagement—that is how to stimulate innovative, community-based activity.

**John Downie:** In response to John Wilson's question, I say that I understand what community organisations go through. However, the fundamental issue is where power and control lie and who makes the decisions. The theory of community empowerment is great, but at the end of the day we need to listen to what outcomes people want for their communities.

Whether we are talking about differences in job descriptions or in statutory responsibilities, things are going the same way that they have done for 30 to 40 years. We will never change endemic poverty and inequality in Scotland unless we have a fundamental shift. We talk about whether we might have independence or more devolution, but we need to devolve powers much further down so that local people have a say and have control. Previously, I have given committees examples of situations where that is actually happening, but those were limited instances. We need to do much more to give people a say.

On Friday, I was at the first meeting of the new Poverty Truth Commission sessions. There were very articulate, bright people there who live in deprived communities. Those people make hard decisions about their lives every day, and they certainly can have a say on what their communities want and need.

**The Convener:** We have come across situations in which such people sometimes make better monetary decisions than many elected politicians. The key question is: how do we set up a situation that allows community capacity building to give folk the confidence to handle large budgets?

**John Downie:** We have a similar situation at the moment with direct payments. Everybody is talking about the bedroom tax but, at the moment, housing associations are paid directly for many people who are on benefits, and there are worries that, if people get the money directly, they will not be able to handle it. The solution has always been to give it back to the housing association, but that is fundamentally the wrong thing to do. In the short term, it can work but, in the longer term, we should work with people on how they handle their money. It does not have to be public sector organisations that do that; it could be local social enterprises, for example. As you said, convener, the best people to work with those who are in poverty, unemployment or on a low budget and getting

their money cut are other people who have been through that. There is a peer-to-peer issue.

We need to think about the longer term. To me, giving the money directly to the housing association sends out the message that we do not trust people enough to give them the money. There is a trust issue and an education issue. We need to think about how we address that in the medium to long term, but we can do it.

When people are asked what is right for their community, they can make the decisions. If they know all the factors, they can make a decision that they can live with.

**The Convener:** It is all about trust.

**Alison Todd:** I will comment on giving large sums of money over to the community. Many years ago, I was involved in community development. We had people who were chairs and treasurers, for example, but who were not skilled or trained. I also know of kinship care groups that, more recently, have not been able to access money because they are not constituted.

Those are barriers that prevent people from being involved and engaged. We need to educate, but that does not happen overnight. Some people might want to be involved, but might not want to be accountants in their communities. We need to enable that, rather than put our structures on to communities and say that they must operate in a certain way. It might be that we give them an accountant.

**The Convener:** Aye, and they can tell the accountant how they want the money spent.

**John Wilson:** I had more than 20 years' experience in the voluntary sector and seven years' experience training community activists in Castlemilk to take control of some of the decisions that were being made on their behalf by officials who were paid lots of money to go in from 9 o'clock to 5 o'clock during the day and then leave at night, leaving the communities to the mess that had existed for years. We must try to move forward. We have had 40 years of deprivation in Ferguslie Park and almost 30 years of deprivation in Barrhead and other similar areas where officials have spent millions and millions of pounds and imposed solutions on the communities without any results.

In this time of austerity, how do we ensure that our resources are used in the best way to ensure that we have the most positive outcomes for people who live in areas of deprivation or who face the worst effects of some of the cuts that have been mentioned under welfare reform and the bedroom tax? I do not want to get into the debate about procurement, but how do we ensure that all the local authorities, health boards and other

agencies that supposedly work for those communities deliver the best services for them?

**The Convener:** I ask for brief answers, because I want to allow the committee's adviser to ask a question at the end.

**Alison Todd:** I will be brief. We should just give communities choices. When young people have money, we give them choices about how they will spend it. If we give communities choices, most of the time, they will make the right choices.

**Lorraine McMillan:** There are two parts to that. First, we need to be clear about where the issues are. For example, we have lots of evidence to show that, if a child lives their early years in a chaotic background and struggles with poverty before they are three, getting over that will be a challenge for them for the rest of their life. We need to focus resources on the zero to three age group, but with community engagement and with all the partners working together.

**David White:** Total place Edinburgh involves a population of 50,000 on whom £200 million of public money has been spent. However, only around £300,000 of that money—a fraction of 1 per cent of it—has had any public involvement in its expenditure. We need to move those boundaries. It is not about handing large amounts of money to sometimes vulnerable individuals in communities; it is about having local decision-making structures that the population feels listen to them and that they can influence, so that the resources can be used flexibly.

**Ian Welsh:** I agree with David White that it is about putting more power in the hands of the people who use the services.

**Alex Geddes:** It is about three words: honesty, trust and support.

**Derick Murray:** It is important to have an agreed set of goals. If we can do that, we can create trust, which is what is needed. I think that Alex Geddes's use of that word was the first time that I have heard it all morning. We need trust. If we have trust between the community and the service providers, and between the two service providers, we can put budgets together and get them spent most effectively.

**John Downie:** I agree with my colleagues. If we are to put people at the heart of public services, which is what we want, it is about trust and listening to them, and their having a say.

**Dave Watson:** The only caveat that I would put in is that, although it is easy to say that officials are holding things back, we should bear it in mind that, when the money goes wrong or goes missing and things go wrong, we will be summoning in those very officials to grill them and to ask how it all happened and why they did not keep an

account of it. That is why we need to go back and look at some of the statutory duties and the roles on that basis. We also need to talk about the capacity to do some of those things, but there is a balance to be struck in that regard.

We also need to consider some of the structures. For example, the Christie commission talked about the total place initiative along the lines that David White took. However, we must remember that, despite some people arguing that our local authorities should be bigger, an awful lot of them are already very big by European standards. We should have smaller local authorities, rather than have bigger ones just to chase economies of scale.

**The Convener:** I am not getting into the debate about local government boundaries today.

**James Thomson:** In terms of efficiencies, budgets should be focused on outcomes. If work is not delivering against strategic objectives, stop doing it—have strong leadership and do not take those actions. On best value principles, there has been confusion in some of the responses from others. It is not about just going for the lowest-cost option; it is about having regard to economy, efficiency and effectiveness, and delivering continuous improvement and sustainable services. If we hold on to those principles, focus our budgets on what we want to do and work with those who will help us achieve those outcomes, we will have success.

**Bill Howat (Committee Adviser):** That was a nice lead-in. We should thank James Thomson for that. I declare an interest, about which some of those round the table already know, in that 16 years ago I was the civil servant who led the first joint best value task force. We wrote the book originally, and you have just summarised it very neatly, so thank you.

The written evidence, particularly from SCVO and, to a degree, from James Thomson, made it pretty clear that you regard competition as a difficulty, particularly in engaging with local communities and taking that forward. I sense a strong theme coming through in the oral evidence today. I will be difficult and put it like this: the issue is that best value is suddenly being driven back towards compulsory competitive tendering, although best value was intended to replace CCT and be different. My understanding of best value is summed up in a little phrase that I use—Lorraine McMillan might even have heard me use it on my roadshows—which is that what matters is what works.

I have two questions that I want to rattle round the table just to get a feel for people's views. Do you agree that best value is going too much towards competition? If so, how did that happen?

**The Convener:** The answers will have to be brief.

**Alison Todd:** There is just a lack of resources, and people are too entrenched and continue to do the same things, so change is difficult. Rather than open the box and look outside it for new things to happen, we have set rigid services that we need to deliver for a particular amount of money. Through that very tight process, the result is now down to who writes the best tender rather than who provides the best services.

11:30

**Lorraine McMillan:** The process has to be about best value, and I think that it is, but getting to that answer is sometimes a wee bit complicated because of some of the other rules in the background.

**David White:** We should simplify and focus on outcomes.

**Ian Welsh:** I am a reconstructed municipal socialist, and I welcomed best value. I think that it has retrenched the provision of in-house services, and my view is that we need to move towards a culture of community investment in services.

**Alex Geddes:** I agree with David White. Best value is also sometimes used as an excuse not to do things.

**Derick Murray:** In my experience, if a person can make a good case, a budget can be found. The principle that we have to go by is that we must make a good case and, once that is done, the budget will come.

**John Downie:** I agree with James Thomson and Bill Howat. Best value had the right intentions and, if it was implemented, we would not be making these comments. However, I also agree with Ian Welsh. It has retrenched back into competitive tendering. There is a range of reasons for that, on which I am happy to give Bill Howat some other thoughts.

**Dave Watson:** Because of the budget circumstances, best value has essentially become about driving down costs. I disagree with Ian Welsh. Far from entrenching in-house services, it has done the opposite in many ways. Some £9 billion is now being spent out there, not directly on the in-house provision of services. That is often done as a means of driving down costs, running down the quality of services at the sharp end, and fragmenting them.

**James Thomson:** Yes, it has become more about competition, and I think that that has happened because people have tried to cut their cloth with what they have. They have not looked at the principles of best value, which I will not

reiterate for the committee, but it is about how we deliver services and the best way of delivering them. We have lost focus. I would be happy to join Bill Howat and John Downie in a discussion about that at another opportunity.

**The Convener:** I thank you all for your evidence. We perhaps did not do justice to the final question, so if anyone would like to put pen to paper—or finger to keyboard—and give us examples of failures in best value, the committee would welcome them.

11:32

*Meeting continued in private until 12:30.*



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e-format first available  
ISBN 978-1-78307-729-8

Revised e-format available  
ISBN 978-1-78307-744-1