



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Wednesday 24 April 2013



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**LOCAL GOVERNMENT AND REGENERATION COMMITTEE**  
**12<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 Baillie (Accounts Commission for Scotland)

Antony Clark (Audit Scotland)

Caroline Gardner (Auditor General for Scotland)

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

**CLERK TO THE COMMITTEE**

David Cullum

**LOCATION**

Committee Room 1



## Scottish Parliament

### Local Government and Regeneration Committee

*Wednesday 24 April 2013*

[The Convener *opened the meeting at 10:01*]

### Decision on Taking Business in Private

**The Convener (Kevin Stewart):** Good morning and welcome to the 12th meeting in 2013 of the Local Government and Regeneration Committee. As usual, I ask everyone to ensure that they have switched off mobile phones and other electronic equipment. We have received apologies from John Wilson. I welcome Mark McDonald, who is substituting for Mr Wilson.

Agenda item 1 is a decision on whether to take agenda item 5 in private. Do members agree to take item 5 in private?

**Members** *indicated agreement.*

## Subordinate Legislation

### Aberdeen City (Electoral Arrangements) Variation Order 2013 (SSI 2013/115)

10:02

**The Convener:** The second agenda item is consideration of a negative Scottish statutory instrument. We have a paper from the clerk setting out the purpose of the order. The Subordinate Legislation Committee determined that it did not need to draw the order to the Parliament's attention. Do members have any comments on it?

**Mark McDonald (North East Scotland) (SNP):** My only comment is to remark, as a former member of Aberdeen City Council—like you, convener—that the issue seems to have been around for an awfully long time. In fact, it has probably been around since the boundary changes took place in the move to multimember wards. It is pleasing that progress is being made, slow though it has been.

**The Convener:** Thank you—I will not go into the history of the issue.

Are we agreed not to make any recommendations on the SSI?

**Members** *indicated agreement.*

**The Convener:** I am grateful for that.

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

10:03

**The Convener:** Agenda item 3 is on public services reform and local government: strand 3—developing new ways of delivering services. We will take evidence from the Auditor General for Scotland and the Accounts Commission for Scotland. I welcome John Baillie, chair of the Accounts Commission; Caroline Gardner, the Auditor General; and Antony Clark, assistant director of Audit Scotland. I ask our witnesses whether they want to make any opening remarks.

**John Baillie (Accounts Commission for Scotland):** Yes, please, convener. We thought that we would share the opening remarks, so that members have the sound of more than one voice to lighten their day a little. I will start with a brief scene-setting introduction before Caroline Gardner gives a short summary of what our recent audit work has told us about public service reform.

There is a growing consensus that, at a time of diminishing resources, significant change is needed in the design and delivery of public services to respond to rising demand as a result of demographic change, public expectations and the deep-rooted social problems that affect many parts of Scotland. The Accounts Commission and the Auditor General have recently published a number of reports that concern the development of new ways of delivering services, such as “Scotland’s public finances—Addressing the challenges” and “Arm’s-length external organisations (ALEOs)—are you getting it right?”

Our recent work on community planning partnerships also gave us useful insights into the opportunities and challenges that are presented to public bodies when redesigning services to secure better outcomes, improve service quality and make the best use of scarce resources.

**Caroline Gardner (Auditor General for Scotland):** We know that public service reform is not easy. However, given the context that John Baillie has just set out, it is essential.

A consistent theme across our audit reports is that better partnership working and new models of service delivery present opportunities to deliver better outcomes for communities throughout Scotland. However, that will require a number of important things to be got right. We need changes in leadership practices and behaviours throughout the public sector, clearer and more robust governance and accountability arrangements,

better information on the cost, quality and effectiveness of local services, a clearer focus on breaking down barriers to change, and a stronger focus on impact and outcomes for local people than there has been hitherto in community planning partnerships and across public services more generally.

Our recent work on community planning partnerships has shown that public service reform and improved partnership working present opportunities to deliver better outcomes, improve the customer experience and secure the best use of resources. However, important barriers can get in the way of delivering change and improvement. Such barriers need to be broken down or overcome if we are to make the progress that is needed.

**John Baillie:** Through our audit work, we found several things that might interest the committee. First, new approaches to delivering services need to be designed with the user in mind. Local people potentially have an important part to play in service redesign, but if that potential is to be realised, public bodies will need to get much better at engaging with local communities and service users. As we said in the report “Improving community planning in Scotland”:

“there is a long way to go before services are truly designed around communities and the potential of local people to participate in, shape and improve local services is realised”.

The public sector should consider extending collaboration and joint working to deliver more efficient and effective services where there is a strong, evidence-based case for doing so. That might involve looking at alternative providers, including local communities, and developing shared support service arrangements and integrated approaches to delivering front-line services. Strong local political and officer leadership will be key to realising benefits as soon as possible.

Shared services or partnership approaches are not always the most appropriate service delivery model. A decision to pursue an alternative service delivery method can change long-standing arrangements and can have far-reaching consequences for service users, services, systems and staff. Decisions in that regard are often very difficult, and elected members and other public sector decision makers need to balance the short-term political objectives with longer-term needs, the sustainability of services and finances and the effects on people.

Decisions should be taken on the basis of good-quality information. Councils and other public bodies must be in a position to explain and, where necessary, justify actions, including when elected members and other public sector decision makers

decide to reject a recommended course of action. When decisions are deferred or proposals rejected without adequate explanation and communication, the service and the organisation's reputation can be damaged or at least put at risk.

Technology presents important opportunities to rethink radically how public services can best be delivered. How technology can improve the efficiency and effectiveness of public services is an important strand in the debate about the future role and shape of public services. There is scope to improve how information is collected and shared among agencies in Scotland. National health service bodies and councils use different information systems, for example, which limits their ability to deliver joined-up, responsive services. The lack of a consistent approach to information sharing can also limit effective joint working. Barriers include different data definitions and security systems; inconsistencies in systems that are used within sectors are also problematic.

More could be done to provide incentives to deliver savings across sectors, as opposed to setting efficiency and improvement targets solely for individual bodies. There is the potential to save more and secure better outcomes by having bodies work together across the whole service delivery system. In particular, if the strategic shift towards prevention is to be achieved, a systems-based approach is needed. In some areas, such as improving health outcomes and addressing worklessness, there needs to be recognition that the long-term gains will be achieved only through sustained efforts by a range of public, private and third sector partners.

**Caroline Gardner:** I will finish by summarising the changes that we think are needed to bring about the change in question.

First, the Scottish Government needs to encourage more collaboration and remove the barriers—real or perceived—to joint working across public services. We made it clear in our recent national report on community planning that the Government has an important role to play in creating a policy context that supports effective joint working. It needs to discharge effectively its duties under the 2004 statutory guidance on community planning to promote and encourage it, and to use it as the overarching framework for public service reform in all its functions by developing joined-up policies, performance frameworks and indicators.

Some progress is being made. We highlighted that the Scottish Government has recently re-emphasised the central role that community planning should play in driving public service reform, but we also reported that the broader reform agenda does not always appear to be

joined up when it is viewed from a local perspective.

Strong governance and accountability are paramount if the significant changes that are needed are to be delivered, especially when the risks that the public sector faces are increasing because of reduced budgets, increased demand and cost pressures, and the process of managing change itself. NHS boards and councils need to ensure that they assess and manage the risks, and that they have strong, joined-up information to support their decisions.

That is why we have highlighted the need for strong shared leadership at national and local levels. Our report sets out how a virtuous cycle of continuous improvement in community planning can be achieved. The principles that we set out of clear improvement priorities, effective resource alignment, good governance and proper community engagement apply equally to public service reform more generally.

We do not underestimate the challenge that making the required changes presents, especially at a time of reducing resources. Strong leadership will be needed over the next few years as difficult decisions are made about the future shape and role of public services, and we hope that our community planning report will contribute to that process.

We will be happy to answer any questions from the committee.

**The Convener:** Thank you very much for that. I wonder whether Ms Gardner has had a look at the questions that I scribbled down earlier, because she has already covered many of them.

Some of the things that we have discovered thus far in our inquiry are not that different from what you have found and included in your community planning report. You mentioned the existence of barriers, which is one reason why progress has been slow. Through our questioning, we have tried to establish whether those barriers are real or perceived. Are all the barriers that folk mention to you real or are some of them just perceived?

**Caroline Gardner:** Across the piece, there are some real barriers and some perceptions that get in the way of people's ability to make the progress that they would like to make. I will pick out two real barriers that need to be tackled, which we highlight in our report; I am sure that John Baillie will want to comment, too.

In our report, we talk about the accountability arrangements for the various partners involved. In particular, councils are obviously accountable to their local electorates and have very well-developed arrangements for exercising that

accountability internally and externally through the democratic process, whereas various central Government-related bodies have different arrangements. In the NHS, there is a strong performance management regime that involves each health board going through accountability reviews with the cabinet secretary. For national bodies such as Scottish Enterprise, the arrangements are slightly different. If those arrangements cannot be joined up at a local level, that can be a real barrier to people's ability to agree clear priorities for community planning as the overarching framework, and can make it harder to align people's resources and efforts with shared priorities locally. That is a real barrier that we highlight in our report.

**The Convener:** I have a question before you move on to the second barrier. Have there been better outcomes in certain areas because of stronger leadership and folk being a bit more flexible? In other words, has that been down to the personalities involved rather than anything else?

10:15

**Caroline Gardner:** It is clear that, where people have been willing both to engage in the process of putting together the partnership and to be transparent about the challenges that they are facing, the resources that are available and the priorities that they have signed up to, all of that has helped. At the same time, the different accountability arrangements that are in place can make it harder than it otherwise would be for people to whole-heartedly sign up to making community planning fulfil the aspiration set out in the 2004 statutory guidance of its being the overarching framework for public service reform.

**The Convener:** Before I ask my second question, I have supplementaries from Mr Stevenson and Mr Pentland. I should say that if they are not on this specific subject, I will have to cut you off.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** Given that real change will always start off as heresy, let me be heretical. Is strong leadership not the problem? After all, you will get real change only if the people in an organisation change; if there is what is perceived as strong leadership, people will devolve responsibility for change to the leaders and feel inhibited in making change because the leaders are sending such strong messages. Of course, it might be a language issue as much as a real issue, but I invite you to comment on those thoughts.

**John Baillie:** It is a very interesting question—

**Stewart Stevenson:** Ah! When people say that a question is interesting—

**John Baillie:** Well, I say that from a considered point of view because we have debated the issue at some length back at base. Inevitably, there are several aspects to it.

I want to back off from the specifics for the moment. With, for example, a community planning partnership or some other liaison, the first stage is for somebody—or, indeed, a team of somebodies—to determine what they are trying to do and what their aims are, articulate them in a way that people can agree with and then put in measures that not only recognise the success of those aims but allow people to hold one another to account for their achievement. If we compare that statement with what is actually happening with community planning partnerships, we can see that it is clearly not happening thus far from the evidence that we have taken. The determination of aims and outcomes is sometimes less clear than it might be and, in many cases, partnerships have no effective means of holding each party to account for its performance because the “real job”, if you like—I put that in inverted commas—is somewhere else. That goes to the very heart of leadership because if there were leadership those things would be identified, there would be a common aim, purpose and vision, the mechanisms would fall in behind and you would all start marching towards the top of the hill.

**The Convener:** Before I bring in John Pentland and Margaret Mitchell, I think that Anne McTaggart has a question along similar lines.

**Anne McTaggart (Glasgow) (Lab):** Thanks, convener. I was going to ask this question later, but I want to drill down into and ask the panel to expand on the issue of community engagement.

**John Baillie:** Do you want to take that question, Caroline?

**Caroline Gardner:** I will follow you, John, if I may.

**John Baillie:** Community engagement is critical. However, when we have looked at the performance of councils, we have found that such engagement varies across the country and we are very keen for it to be developed in a much stronger way than is currently the case. Obviously, it helps to identify the true aims in a local area.

**Antony Clark (Audit Scotland):** Our CPP audits have presented a very mixed picture on consultation and engagement. Although there are often very good examples of individual public bodies that are carrying out very good and thorough consultation, we have found less evidence of consultation and engagement taking place across a partnership.

That said, across the three CPPs that we recently audited, we found a strong sense that



people were taking seriously the notion of engaging more effectively with communities and thinking very carefully about how their local service delivery and planning arrangements could be used to better understand the needs of specific geographical communities or particular special-interest client groups. Although the picture was very mixed, we got the sense that the direction of travel was positive. However, there is still a very long way to go.

**John Pentland (Motherwell and Wishaw) (Lab):** Do you believe that being accountable for shared services in itself creates a barrier to responding to the shared services agenda? How would you convince people who want to participate that it is a window of opportunity rather than a problem?

**John Baillie:** We have had many discussions about shared services back at base. A point worth making is that I do not think that we start with shared services. We might end up with shared services as the choice of approach, but we start one stage back from that with options appraisals. We consider the best way of delivering the service that we have decided we want, and shared services is one choice of approach. If things are done in that way, those who have selected shared services as the way forward are already sold on the idea; it is not imposed in some way. That should help remove part of the barrier. However, part of the problem is that there are inevitably casualties with shared services. Another issue is the very clear human problem of individuals or bodies having to cede control. If you go into partnership with somebody, you have ceded control of part of your patch in return for some control over their patch. That very human problem can be very difficult to overcome.

**Margaret Mitchell (Central Scotland) (Con):** Good morning. The statement has been made that there is a

"growing consensus ... that significant change is needed in the design and delivery of public services"

for various reasons. Is there consensus at delivery level?

**Caroline Gardner:** I would say that there is. Across public services there is a real sense that we have a mismatch between resources for public services, which will be falling for the foreseeable future, and rising demand and rising expectations from all of us about the things that we want from our public services. There is a real recognition of deep-seated inequalities and social problems in parts of Scotland that we really have not made progress on tackling. There is also a consensus that we need to do things differently to really make an impact and square that circle, and that public

services can do much more by working together locally than they can by working individually.

One of the paradoxes that we found in doing the work that led to our community planning report was that there are lots of examples of really effective partnership working at a local level—of which we give examples at the beginning of the report—but it is not clear that those are driven by the priorities for the area that are agreed by the community planning partnership or that the experience from those pilots is being learned from and rolled out more widely, even across that local area, let alone across the rest of Scotland. There is a recognition that change is needed and that partnership is at the heart of that change. What we have been interested in is identifying the barriers to really making the most of that work and taking it forward more widely so that the benefits can be achieved in practice.

**Margaret Mitchell:** I suppose that I am probing a little bit further who is the "we" that you are referring to.

**Caroline Gardner:** We have seen that consensus in a whole range of areas across pieces of work that we have carried out—around reducing reoffending, for example. I think that there is a real consensus among people in criminal justice social work, the Prison Service and housing authorities about the need for change. We see the same around care for older people and early years provision. The examples that we highlight in the report pick up lots of different groups of professionals and service providers who see the real impact that they can have by working more closely together. What we are not seeing is a joining-up between those individual examples and the 32 community planning partnerships, which are intended to be at the heart of public service reform, in terms of learning from experience and playing that back to the partnership to identify how it can make the most of those lessons on a larger scale. Does that answer your question?

**Margaret Mitchell:** To an extent. I was very conscious of leadership being talked about—political and officer leadership—and of CPPs being talked about at a very high level. How many are probing a bit further to talk to the people who actually deliver the service—the staff—from the lowest level right the way up? If they are not on board, you are doomed to failure right away.

**Caroline Gardner:** Antony Clark may want to answer that from his experience of the early audits that we have done.

**Antony Clark:** One of the striking things from the three early audits is that all three CPPs have been relatively successful in sending a signal to staff that they should be working together and breaking down boundaries. That is not to say that

there are not still barriers and boundaries in the way, but all three CPPs have been relatively successful over the years in creating a climate in which joint working at the local level is an important part of what they do.

Caroline Gardner has mentioned a number of the examples of good practice that we found, which span a range of areas from economic development to social care, and from housing to crime and disorder. A lot of that is about police officers, social workers, district nurses and so on demonstrating good leadership at the local level. A very interesting thing was going on: the people at the top table were creating the climate and trying to direct, although maybe not aligning the local working as well as they might, and that was being translated into many of the people who provide front-line services starting to see that this was part of their job.

In the national report, we make the point that there is a significant workforce agenda around partnership working. Although there is a lot of this going on, we felt that quite a lot more could be done strategically to get CPPs and people across public bodies starting to think about how they can train and develop their staff, giving them the skill and confidence to make change happen at the local level. It feels as though that important business still needs to be taken forward.

**Margaret Mitchell:** Thank you.

**The Convener:** I will ask Mr Clark to expand on that before I bring in Mr Pentland. I am also aware that we did not finish talking about the barriers.

Mr Clark, you say that folk at a strategic level have a commitment, and you have talked about front-line staff. Have you found that there are often difficulties in the middle, with budget holders who may not be quite so willing to undo the purse strings to create the opportunities for joint working?

**Antony Clark:** We did not detect that through our audit work, but that does not mean that it may not be a problem in some cases. There were occasional difficulties in resource transfer from one body to another. For example, there can sometimes be financial constraints that prevent the transfer of an underused or unused hospital from the national health service to the local authority so that it can be brought into use, as that would have a detrimental effect on the health service's balance sheet. There are issues around that that still need to be considered. There can be barriers to the more effective use of resources across organisations. However, that did not come through particularly strongly in our local audit work.

**The Convener:** That is interesting. Thank you.

**John Pentland:** You spoke about staff training. Do you believe that, because of the cutbacks to local authorities and so many senior staff moving on, the experience that we depend on to take forward the public service review is no longer there? Training will obviously be important, but do you think that it will perhaps take longer to get to the goal that we all hope to achieve?

**Antony Clark:** That is a difficult question to answer. In our local government overview report, we talk about the risk of losing organisational knowledge when people who have been in organisations for a long time move out. There is a danger and a risk in that, which public bodies will need to manage carefully as they move forward.

**The Convener:** Let us go back to the barriers. Caroline Gardner gave an example and was perhaps about to give another. Can you give us examples of perceived barriers that do not exist and suggest how we can turn folk around by telling them that those barriers do not exist, so that they become less risk averse?

**Caroline Gardner:** If you are happy for me to do so, I will pick up on what we think is a real barrier and will ask John Baillie to continue the theme from there.

I will highlight an issue around budgets, which the convener focused on in an earlier question. There is real anxiety that making a reality of community planning means pooling budgets. It is an option and there may be circumstances in which it is worth while, but it is not necessary to pool budgets in order to make progress on aligning resources behind the shared priorities to which a partnership agrees to commit. We do not need to pool budgets to make more flexible use of staff and to bring them together in ways that ensure more flexibility in provision of services—in particular, in thinking about how problems can be prevented rather than reacted to. The same is true of buildings, vehicles and all the other things that are used in delivery of public services.

Taking a step back from that, there would be a huge benefit for community planning partnerships' ability to agree how they are going to tackle their priorities if there was simply more transparency and if people were more willing to share full information about their budgets and what they spend on different services, how that is changing over time and where there may be flexibility to move to different ways of spending the money. Just getting that clarity about how money is currently spent would be a huge benefit. We were surprised that there was no clear picture in any of the three early audits—from the council, the health board, local further education colleges, the police or welfare services—of the total amount of public service spending that went on each year.

10:30

We estimate all the money that is spent at about £60 billion a year across Scotland; there are lots of resources in each community planning area. A picture of what money is there and how it is currently being spent is the basis for a good conversation about how that spending might be changed so that the money could be used more effectively, without needing to throw it all into the pot. That perception is a real barrier, although it does not need to be overcome fully in order to make real progress in improving outcomes for communities.

**The Convener:** On sharing of budgets and so on, how advanced are asset registers in community planning partnerships? Previously, there was often unwillingness to share resources. We have noted the results where assets have been brought together—the best example probably being the West Lothian civic centre, where a number of public bodies are working together in one building, and barriers have simply gone because folk's desks are right next to one another.

**Caroline Gardner:** The situation varies across Scotland. In the NHS, there is now much better information than there used to be—not only about what assets NHS boards own, but about their condition and the maintenance backlog. That allows better decision making about sharing of assets and about organisations moving into shared premises and seeking other opportunities. The same is true for local government—although John Baillie is better placed than I am to talk about that. Getting asset registers for individual bodies concerned is a key first step.

Other key parts of the process are the building of the community planning partnership's agreement on what it wants to achieve and how it will achieve that; getting the information into the open and sharing it; and testing out situations in order to do things more flexibly—for instance, if two organisations have buildings near each other and one of them needs lots of investment to bring its building up to scratch, there might be something they could do. There is room to go much further without needing to transfer ownership or money.

**John Baillie:** Caroline Gardner has pretty much said it all. Over the past several years, councils have examined their asset registers more closely, but there is still a way to go—practice is still very patchy. One of the reasons why councils have had to examine asset registers is to do with declining activities in some areas. Councils are ending up with surplus assets, so questions arise about what to do about them: are they genuinely surplus, or are they just not being used right now? Such

questions must be considered. Antony Clark will fill in with some details.

**Antony Clark:** In a CPP context, we saw in the three early audits that there was a lot of interest in and an appetite for what we might call total place activity. CPPs were very interested in attempting collective mapping of their resources and of whether they were underutilised or overutilised.

**The Convener:** Some local authorities have quite a lot of assets held in common good funds. Have they been added into the mix, or are they still seen as being for the local authority only?

**John Baillie:** I will start and, I am sure, Antony Clark will wish to fill in with detail. I got myself into trouble when appearing before the Public Audit Committee about three years ago.

**The Convener:** I cannot believe that, Mr Baillie.

**John Baillie:** I said, rather carelessly, that common good funds were relatively immaterial. Somebody in the gallery wrote to me and said, "They may be immaterial to you, sonny, but to us they are very important." I wrote her a nice letter of apology.

The point is that, given the way in which common good funds are managed, as I am sure you will know, if there is any sale of a property pending, the council will attempt to determine whether it is part of the common good fund, and it will investigate the title and everything else that goes with the property. As far as listing common good assets is concerned, councils do not do that as such, because it is such a herculean task. They check whether assets are common good assets on the basis of pending transactions. As a consequence, the full list of common good assets is not necessarily always available.

**Antony Clark:** I cannot speak for the whole of Scotland but, with regard to our experience from the three early audits in Aberdeen, North Ayrshire and the Borders, I do not think that the issue had arisen at that point. I think that the councils were still at the earlier stage of trying to work out the collective resources that they had available within the public sector, rather than focusing on common good assets.

**The Convener:** That might be an issue that we are missing in considering the entire asset base, but I do not want to dwell too much on the question—it was for my own nosiness.

**Stewart Stevenson:** I will set out my stall somewhat. Both in the Auditor General's opening remarks and in the remarks of committee members and members of the panel, we have heard about the need for better governance and stronger leadership. Given that such terms will be understood by grass-roots staff as meaning more supervision and more scrutiny, will not that

completely drive out from the system any inclination to take risks? In reading the quite substantial paperwork for today's meeting, I have not seen the word "empowerment" or any functional equivalent that might indicate that there are allowable levels of failure in what is undertaken. Given the implication is that failure is absolutely to be avoided, is it surprising that people are not prepared to take risks and that, therefore, we do not see real change, which requires people to take risks?

**John Baillie:** I will kick off on that question. Over the years, several councils have put that very point about risk and curtailment. The answer that we have always given is that, in council terms, best value is not about taking risks or not taking risks but about determining what should be done and then putting in the right processes to measure whether it is achieved. In a particular case, a council might well decide that, in all the circumstances, the best value is to pursue a particular line that might have more risk associated with it and is not a no-risk choice.

I understand the point that Stewart Stevenson makes. That may be what should happen, but is it happening? I think that there are occasions when councils take a look at something and decide that it is worth going the extra mile for—

**Stewart Stevenson:** Forgive me, but part of the point that I seek to put to you is that not all risks are identifiable at the outset. Therefore, if the language that is being promulgated is about stronger leadership and stronger governance, the inclination of the people on the front line will be to work only within the scope of what can be identified. That will drive out innovation, which in and of itself increases risk and increases the risk that unknown risks might emerge during the course of an activity.

Surely it would send a strong signal to people if we had a target for failure that said, "We will not proceed against you unless"—I choose this number arbitrarily, although one could not really do so in this simplistic way—"more than 5 per cent of your activity is unproductive due to failure, and as long as there are no adverse outcomes for people, you manage the consequences of any failures and you document and learn from those failures." However, from the information in front of me and from what I know from elsewhere, no such discourse exists in the process. Is not that fundamentally why it is always easier to let someone else introduce the heretical changes, which bring with them the risk of failure?

**John Baillie:** I think that councils are in the market for innovation, which is exhorted on them from all sorts of places, including internally. Councils are having to come up with all sorts of radical new ideas on delivering services. I think

that quite a lot of interesting discussion on innovation is going on in councils.

In the context of risk, I draw your attention to a recent report on capital investment in councils, which showed that although we need better monitoring to review the progress of a project, nobody expects the final figure to come out, to the penny, at what was projected; that is just not realistic. There is a proportionate approach; if the cost goes over estimate a little, that is not a major problem because contingencies are built into projects.

Capital investment projects is a good example of an area in which big sums are spent and monitored. Inevitably, however, as you said, other contingencies start to materialise as projects go on. In identifying that there are risks, it is important then to put in processes to manage those risks, rather than say that we will not go near any risk. It is more important to manage risk and to have a process that enables us to do that.

**Stewart Stevenson:** I have two final points to make before I hand back to the convener. In auditing, if you were to see that there were no failures, would you regard that as a warning sign because it would indicate that up-front consideration of risk was dominating the process and eliminating possibilities?

Secondly—and fundamentally—I keep hearing councils talk about leadership. That is perfectly proper, but at the end of the day, with that focus in the language of change on supervision, monitoring and governance, I do not see people in the front line getting the message. They seem to get the opposite message from the message that we want them to hear, which is that they should take risks and that they will, within measured and acceptable levels, be rewarded for taking risks and not penalised when things do not work. Is not it the case that until we energise all the people on the front line, we can energise the management as much as we like but it will make no difference?

**John Baillie:** I will make a brief comment, then I will allow Caroline Gardner to speak on that as she is very keen to comment. The idea is the same as the situation in banks—the poor bank manager who never has a bad debt is not a very good bank manager.

**Stewart Stevenson:** If there was no bad debt in a branch the manager would be moved instantly. I spent 30 years in the business, albeit that I am not a banker.

**John Baillie:** Indeed—that is my point. It seems to me that we can encourage the people at the front line to take risks as long as it is managed; your example is an illustration of that. I will let Caroline Gardner in to speak. I know that she is dying to.

**Caroline Gardner:** That is a really important point; it is important that we are clear that when we talk about strong leadership we mean clarity about what people are trying to achieve and not how they are trying to achieve it. In the report we make the point a couple of times in relation to community planning, that for many community planning partnerships the single outcome agreement that sets out what they are trying to do is so wide-ranging that there are no priorities in it. That makes it hard for people to know what their organisations are signed up to do and what latitude they have to think about better ways of providing services, moving staff around, spending budgets differently and sharing things between organisations.

There is a real trick to leadership in getting clarity of vision and direction for what you are trying to do, and in going through the things that are needed to ensure that staff and local communities are genuinely part of that discussion and are committed to it and can then have the freedom to think about what works best on the ground to make it happen while still being accountable for the results that they achieve in doing that.

It is important that we do not give the impression that audit is there to catch out people who are doing things wrong. That is an easy impression to have. We know that people take audit seriously and we would be sorry if they did not, but we are not looking for an absence of failure; we are looking for people taking reasonable decisions and then monitoring—

**Stewart Stevenson:** I am sorry: can I intervene? Are you looking for the presence of some failure as a positive sign, which is a distinctly different approach?

**Caroline Gardner:** You are absolutely right that it is. We do not have any rule of thumb that says that 5 per cent failure, or anything else, is a good marker. Equally, we accept that things go wrong when people are truly committed to reforming public services. What we are interested in is whether their planning was reasonable, whether their monitoring of progress was reasonable and whether they learn lessons from all that. There are good examples of audit helping to move things forward.

**Stewart Stevenson:** Would you be prepared in the future to think about positively looking for failure and commending appropriate small levels of failure as indications of good behaviours within organisations? If you, as auditors, took a lead on that, we might start to change front-line sentiments, which will take a long time.

10:45

**John Baillie:** I will give a final short response if I am permitted. Our overview report says—we have said this for several years—that the councils that put best value at the centre of everything that they do are well placed to handle the pressures that we now face. Best value is not about getting the cheapest price; it is about getting the best price and the best value out of a particular transaction or project. It is a balance of quality and quantity.

**Stewart Stevenson:** Do front-line staff understand that?

**John Baillie:** That is a good question. It is a matter of training and communication as much as anything.

**The Convener:** I have to be honest and say that from some of the evidence that we have heard lately, it seems that it is not just front-line staff who require training on that front.

**Mark McDonald:** You have stolen my thunder, convener.

**The Convener:** Sorry.

**Mark McDonald:** I was going to ask whether your perception is that it is not just front-line staff but often senior management and sometimes leaders at a higher level than that who do not quite grasp the concept that best value is not fundamentally linked to price. Elected members have a long journey to travel in that regard, too. What is the role of Audit Scotland and the Accounts Commission in trying to help improve the understanding of what best value is all about?

**John Baillie:** There are several aspects to that. The first is the initial and basic holding to account that we do with the assistance of Audit Scotland, which highlights the point that I made a moment ago. The other aspect is that we have to find ways of communicating, particularly with elected members. We all know how busy they are and we know about the multi-agenda that they have to live with day and daily. Best value is only one of many things that they have to deal with. It is about grabbing attention and putting emphasis on best value to the extent that we can. We produce a series of documents called “How councils work”, which effectively taps into Audit Scotland’s enormous bank of knowledge, expertise and experience. There is no extra work; it is a matter of summarising what is already there. We have now published four or five such documents; the series is going down extremely well, particularly with councillors, but it is a long road.

**Mark McDonald:** Absolutely. It possibly even stretches beyond councillors. I certainly remember a board of which I was a member being advised by the convener and the clerk, who was a senior council officer, that if we did not approve a

decision that would have led to the highest price for the land that was being sold, we would be in breach of best value simply because we would not have accepted the highest offer. That is not my understanding of what best value is. I tried to relay that at the time but was unsuccessful.

The other point that I wanted to make flows from what Mr Stevenson said. I do not think that it is just about the concept of risk and failure; it is also about the flow of ideas generally. If the language that is used focuses purely on leadership and elected members, that gives the impression that that is the place where you expect ideas to be generated. What I have found in my experience as a local councillor is that often some of the most creative ideas and out-of-the-box thinking are generated at the front line or the coalface, as it were. To tie that into the blockage point, often there is the strategic idea at the top and the idea at the front line, but in between those two points there are blockages that mean that those ideas are either not implemented or are not given the time of day. Is that something that you have identified as a problem? If so, how do we address it?

**John Baillie:** I will start, and I am sure that Caroline Gardner will want to add to what I say.

Good leadership includes the ability to foster an atmosphere that generates the kind of activity that you are talking about at the front line. In a sense, I am playing back what Mr Stevenson said a moment ago. Barriers in the middle might come through in proper internal scrutiny—I mean proper monitoring by the more senior officers rather than scrutiny by external bodies. Why is that not happening? What is causing the blockage?

**Mark McDonald:** I can think of an idea—I will not say what it was, because I would run the risk of identifying the individuals concerned—that was generated by an officer who was working in the front line, which was passed by a committee because elected members took it up. Within 12 months, a report came back that said that the initiative should be ditched because it was not being actively promoted by third and fourth-tier officers, despite the fact that it was a very good idea.

**Caroline Gardner:** I am sure that that can happen. I draw a parallel with community empowerment. Exactly the same is true in that context; often, communities have the best ideas for solving problems and have resources that they could bring to bear, but they need support and more flexibility from the community planning partners, such as the council, the health board and the police.

As we say in the report—we found this to be the case when we did the three early audits—there is

evidence that lots of consultation is going on, but there is often a lack of clear evidence that services are being designed around people, or that people have the ability to shape the services that would make the biggest difference for their communities. When it comes to the ability to set a clear direction at the level of the community planning partnership board, we need to ensure that staff and local people have the chance to shape that and to help with delivery. That is not yet happening consistently enough for it to have the impact that it could have.

**Mark McDonald:** I have a final question on information sharing—which came up earlier—and not just in relation to budgets, although budgets are the main area. Is there a cultural problem in that regard across Scotland, or are we talking about localised problems, whereby particular health boards or local authorities are reluctant to share budget information? I know that most of that information is publicly available in one form or another, but sometimes a little more digging is required.

Beyond that, is enough sharing done between departments within organisations? Is there duplication not just between public bodies but within them, because internal budget sharing is not done as well as it could be?

**The Convener:** Who wants to have the first go at that one?

**Caroline Gardner:** I will have the first kick.

I think that Mark McDonald is right. A culture of openness about resources within and across organisations would make a significant difference. We are all familiar with the sorts of pressures that can lead people to be a bit cagey with their resources out of fear that they will lose some of them. That is one of the areas in which leadership needs to be demonstrated and models need to be provided.

There are particular tensions, especially at a time when resources are falling across the piece. For example, on care of older people in the future, we know that there are opportunities to improve care for older people and to reduce spending by moving money from acute services to more community-based services and by getting out of the cycle of emergency admissions for older people who are not best cared for in that setting, where they are more at risk and where the support that they might have at home breaks down. However, no one thinks that acute hospitals are not already under a great deal of pressure to keep up with the demands on them—people who turn up in accident and emergency departments cannot be turned away.

We need to be able to enter into that debate about what it is that we are trying to achieve. It is

tough to determine how we should manage the short-term pressures at the same time as shifting resources for the longer term. That is the sort of leadership that is required; we are talking not about micromanaging what happens on the ground, but about demonstrating that there is a commitment to sharing information on budgets, activities and pressures that will allow better decisions to be taken in the future.

**The Convener:** Be very brief, please, Mr McDonald, because I have a list of people who want to come in.

**Mark McDonald:** I presume that part of the reason why we want to encourage sharing of information is to prevent duplication of expenditure. As part of the sums that you mentioned, have you made any estimate of what percentage of the money that is being spent across agencies in Scotland could be identified as duplication of spend?

**Caroline Gardner:** I am not sure that it is possible to do that, because spend varies so much in individual areas and services. We examine it through particular pieces of performance audit work for me and for the Accounts Commission and jointly, and we often find significant levels of opportunity to cut out that sort of duplication, but I am afraid that we do not have a figure for Scotland as a whole.

**Margaret Mitchell:** I have raised the issue of the front line in the delivery of services, because I perceive there to be a huge barrier. I do not think that that came through in your opening statements, although there has been some recognition of it as the discussion has progressed.

We are talking about clear leadership, a vision of where we want to go and more openness and transparency. As Mr Baillie said in his opening remarks, that often translates into efficiency savings, targets and best value. Where are the incentives that you said should be introduced across the public sector? Do you have examples of what you are talking about when you refer to incentives?

**John Baillie:** Incentives within a community planning partnership are an interesting area. Why, other than through exhortation and being told to do something, would partners get together? What is in it for them that we can use to encourage them to get in there and get the extra? I keep going on about the X-factor, but people were using that term long before the television programme.

What is the additional benefit in people working together as opposed to just going off and doing their own thing in their particular area? That is what community planning partnerships need to look at. What is it that they want to do that they

cannot do back in their own patch? They need to identify that and align the resources to achieve it.

With regard to specific examples, there have been some change funds—sorry, I have lost the thread. Can you repeat your question?

**Margaret Mitchell:** It was on how you incentivise the front-line staff.

**John Baillie:** Yes—I am sorry, but I have not answered your question at all. Antony Clark will come in on that.

**Antony Clark:** One thing that we found interesting during the audit work was the context, as the work took place around the time of the statement of ambition and the new guidance for single outcome agreements. It is pretty clear to us that the three CPPs that we audited are very committed to making the next single outcome agreement what they call a “plan for place”: a document that is clear about the particular issues that need to be addressed in North Ayrshire, Aberdeen or the Scottish Borders.

We were challenged as auditors on how we approached the audit, because there was concern that we thought that it was all about the people at the top table, which I think is Mrs Mitchell's concern. However, we were clear that making change happen involves people at the top table—as Caroline Gardner said—being clear on what the local issues are, getting their staff and other resources aligned around the goals, and creating a context in which people are rewarded for making that change happen.

One challenge for community planning partnerships is to make their planning and performance management better so that they know what is happening on the ground. We suspect that there are many more successes than we hear about, because the CPPs do not always know when they are being successful. To pick up Mr Stevenson's point about risk, they probably are managing risks but they do not always know it, and they are not managing them very well.

We felt that the biggest issue was the level of ambition. A question that we frequently asked the CPPs was, “What legacy do you want to have in five, 10 or 15 years' time?” To be honest, it was a bit of a killer question. The CPPs often struggled to be clear about the difference that they wanted to make in the short, medium and long term, which takes us back to the point—which we have repeated several times today—about the need for clarity of purpose. That is not just a question of purpose at the top table but about making a difference in communities for the people who receive services.

I will try to answer Mrs Mitchell's question directly. We feel that there is a really interesting

challenge for the people at the top table to provide the right climate and context for people to make change and innovate, and to understand what is going on in a way that is controlling in the proper sense. That control is not about stopping people but about making sure that they know what is going on. When things are going well they can learn from that, and when things are not going so well they can learn from that, too, and ensure that things are done differently in the future.

**Margaret Mitchell:** Perhaps I can put it another way. Do you think that front-line staff are even aware of CPPs and what they are?

**Antony Clark:** I am reluctant to answer that question because I do not know the views of all front-line staff throughout Scotland. It would be very—

**Margaret Mitchell:** A general feeling will do, because we are getting that message loud and clear—it was not too hard.

**Antony Clark:** Our sense was that the situation is very patchy. In some sectors, such as crime and disorder and community safety, there is quite a widespread understanding of what community planning is doing. That area is an example of general good practice in which the police, councils, housing officials and others are working very well together to make change happen at the local level.

11:00

I think that some of the more mainstream services see community planning as being a bit distant from what they are doing; in fact, in the national report, we say that it is seen as being not part of the day job. By dint of that judgment, we obviously think that community planning needs to be made more real for people across the public sector more generally.

**Caroline Gardner:** Three specific incentives really matter for people at the front line, which I believe was the starting point for Mrs Mitchell's question.

The first incentive is, as Antony Clark has made clear, recognition, which I think matters to all of us in our work. The second is the chance to do better. Those on the front line know when resources are being wasted—they see, for example, older people being admitted to hospital for want of something better or a young man being reconvicted for an offence after a long period—and they want to do things better.

Finally, what I think would make a huge difference is the ability for successful local reforms and better front-line services to attract more resources. A real paradox in public services is that money does not follow success in the way that it

does in the corporate world. I am absolutely not saying that the market mechanism should be used, but the fact is that there is no mechanism that says, "Here's a great project that keeps older people out of hospital, gives them better care and costs less. How do we move money from other health service and social care budgets to do more of that and less of the things that are not working so well?" That is the key thing that we need to unlock collectively; we need to turn that approach into a reality so that we can start to align resources with what partnerships say that they want to do.

**Margaret Mitchell:** That was very helpful. I feel that we are beginning to get to the nitty-gritty.

I have a more general point—if you will allow me to raise it, convener. CPPs and community planning have now been around for 10 years. What is different in this review that will turn them around and make them work in a way that they are not working at present?

**Caroline Gardner:** We begin the report by recognising that community planning has been given a real shot in the arm by the action that the Scottish Government, the Convention of Scottish Local Authorities and public sector leaders more generally have taken to put it at the heart of public service reform.

We have had the Christie commission report and the Government's response, the review of community planning and the statement of ambition; and we now have a national group that brings together cabinet secretaries, ministers and public sector leaders. However, although there is a huge opportunity to make progress, our concern is that the barriers are tackled effectively and that the virtuous cycle that we talk about in the report is pushed forward by each of the 32 CPPs with the national support that they need to make that work.

**Margaret Mitchell:** Forgive me, but that approach still sounds very top-heavy. I felt much more encouraged when you were focusing on what is happening further down and how the incentives that you mentioned would play out.

**Caroline Gardner:** I think that you need national leadership to give people the confidence to genuinely shift resources to follow success, to share information about what is and what is not working, and to sign up to a small number of key priorities that matter to a certain place instead of generic priorities that could apply anywhere. If you get those things right, the context will be much more favourable for front-line services. You also need to keep building on local people's energy and ambition to do things better for the people they are working for.

**The Convener:** Following on from Mrs Mitchell's point and before I bring in Mr McMillan, I



have to say that a key question for us all is how we put communities at the heart of community planning. I think that I speak for all members when I say that we have been impressed with various groups that have received seedcorn money to start projects that have very quickly made an immense difference to their communities and which have demonstrated outcomes at a very early stage. Of course, the long-term outcomes have yet to be measured, but we can very quickly see a tangible change in communities through the use of a small amount of money and their ideas. How do we ensure that CPPs enable communities to be at the heart of community planning in their own neighbourhoods?

**John Baillie:** I would make a couple of points in response. First, you need to determine what the communities see as the need—in other words, there should be a no-kidding assessment in which communities tell you their needs. Having done that, you need to identify what the partners who make up the partnership can do and what the partnership itself can bring to the party. Finally, you need to put in place the usual mechanisms for developing and monitoring all the work. It might require a small change fund, resources devoted to the front line for a specific purpose or something more generic.

The stages would therefore be: identify the need; decide whether it is something that the partnership can bring parties together to achieve; and put in place the usual mechanisms to lead, measure and monitor it.

**The Convener:** How many of the three CPPs on which you did your audit work have change or innovation funds that are available for local communities to access?

**John Baillie:** Our report comments on a number of successful projects, not just in those three CPPs. I will let Antony Clark develop that point, because our report goes into it a little.

**Antony Clark:** You ask a very interesting question, convener. I am not sure that we did detailed work to look at whether all the three CPPs had available specific change funds to support communities to participate in seedcorn projects in the way that you describe. I do remember, however, that North Ayrshire was in the process of making a budget allocation as part of its budget-setting process this year to allow it to do that. That may also have been the case in Aberdeen and the Scottish Borders, but in truth I cannot remember. I am not sure that we did detailed work on that; I am sorry.

**John Baillie:** But the report comments on a number of other areas around Scotland that play to your point about specific one-off seedcorn

projects that are not embedded as part of the process of CPPs.

**The Convener:** A number of projects might well be highlighted in reports on our future work on regeneration.

One thing that many members have been impressed by is the fact that sometimes folk have fought tooth and nail to get a small amount of public sector money and have then brought in money from a huge number of other sources, including in the private sector. That kind of innovation has to be allowed to happen. In terms of outcomes—which are the key things—such projects are making much more difference than some of the big things that are going on.

**Stuart McMillan (West Scotland) (SNP):** I have a couple of questions. I was not planning to ask a question, but one has arisen from what I have heard about incentivisation.

It is anticipated that there will be less money in future. It is suggested in the paperwork that we have some type of incentive. I want to go back a couple of stages from where Margaret Mitchell left off. Surely the best incentive for any councillor is to make sure that the services in their area are delivered more effectively and efficiently without the need for an incentive.

**John Baillie:** Yes, that is one of the main aims. There is a distinction between something that can be delivered by the council and something that is broader than that and needs collaboration among several partners. The incentive for the elected member is perhaps already there.

I guess that my concern is that councillors are very busy people; they have multi-agendas and it is a question of where a particular project features in their list of priorities. As we say on a more general note, the problem is that in community planning partnerships everything is a priority so nothing is a priority. I suspect that things can be like that at a local level and a personal level too. It is a matter of identifying whether we really want to do something that means sacrificing time for something else. We are seeking that kind of commitment.

**Caroline Gardner:** The challenge for all elected politicians, which you will know better than we do, is that better public services are not always more visible public services.

The classic example is the reshaping of hospital services. People are understandably very attached to their local hospitals, which are very visible. People have been born there and have had family members die there. We can all do more to paint the picture of why community-based services, for example, can be better than the hospital services that we are all used to.

The same is true in relation to school closures and a whole range of other developments that move away from traditional services that are visible and well loved locally to something that is almost certainly better in the longer term but which does not allow people to make a comparison. That is a really tricky thing for politicians locally and nationally to play their part in. The incentives might actually run the other way.

**Stuart McMillan:** Absolutely. I am not saying that there should not be any incentives, but I wanted to pose the question.

The issue of the people at the front line who deliver the public services has been touched on already. Sometimes they are asked to reduce their budgets and identify where savings can be made. They can see where wastage occurs, but sometimes no action is taken regarding that wastage and they are asked to cut money from some other part of the budget.

That is a frustration not just for the people on the front line but for the end user—the public. It is important for councils and the community planning partnerships to listen to those who deliver services on the front line. I make that point in relation to what we have heard already about potentially stronger leadership and messages not reaching lower levels.

**John Baillie:** I agree with your general point. I add that, when wastage is not spotted, that is sometimes a failure of performance information and performance management. We have been banging on about the need for properly comparable information for a number of years.

The example of road maintenance is a relatively straightforward one. If the cost per mile of road maintenance in one council differs from the cost in another council, we need to ask why. There might be good reasons, but what are they? That kind of comparability of one council with another would help to begin the process of improving delivery.

In the last two years, we have been working with the Society of Local Authority Chief Executives and Senior Managers on the benchmarking project, with which you are very familiar. The project has now started and we are watching closely to see how it develops in the families of six comparable councils.

That is only one example. If we have genuine comparability of data, people have something to ask questions about—not so much about the data itself but about the effect. I am hopeful that better comparability will be part of the answer.

**Stuart McMillan:** My second question concerns the issue of risk aversion, which we touched on earlier. We have heard a lot this morning about strong leadership. Has there been an increase in

the use of delegated powers in local authorities in recent years?

**John Baillie:** I am not aware of that. I may have missed something, but I suspect that that has not happened to a significant degree. I do not know whether Antony Clark can add to that.

**Antony Clark:** I am not aware of any strong evidence in our audit work to indicate that that is the case.

**Stuart McMillan:** We can see both the positive and negative aspects of such an increase. Councillors are very busy people. If there was an increase in delegated powers, we would hope that the ebb and flow of information between different levels in local authorities might be better. At the same time, however, it could also lead to an officer-led authority rather than a working partnership between officers and local councils.

**Antony Clark:** Now that you put the question that way, I can confirm that we have not seen any evidence of a significant shift towards local authorities becoming more officer-led in our recent best-value audit work.

**Stuart McMillan:** I have one final question, which is a point of clarification. Page 2 of Audit Scotland's submission has a paragraph beginning:

"A more fundamental priority-based approach to the delivery of public services is required which allocates money and resources to those services or areas which make the greatest contribution to delivering agreed outcomes."

I read that paragraph a few times and may be reading something into it that is not there. Are you suggesting that more finance should go to areas that are potentially included in the Government's economic strategy or in enterprise zones, the national renewables infrastructure plan—N-RIP—or other such initiatives?

**The Convener:** You are shaking your head, Mr Clark.

11:15

**Caroline Gardner:** That is not what we are saying. What we are saying is linked back to the point on community planning, which says that each community planning partnership is the key place for public service reform to happen. Each partnership should agree on where it can have the greatest impact, and resources should flow to those areas. That does not necessarily mean geographical areas; it could mean a focus on early years, on reoffending or on physical activity. Each partnership should agree on what would make the biggest difference to its own place—that is what that point is referring to.

**Stuart McMillan:** Thank you for the clarification.

**The Convener:** How many areas are using the priority-based budgeting approach?

**John Baillie:** We will have to get back to you on that question. I suspect that not many areas are using it.

**John Pentland:** It is perhaps a wee bit disappointing that Mr Clark did not have any examples of how the change fund has helped some of the smaller communities. Would you be able to provide such examples?

**The Convener:** In fairness to the folk, there have been audits of only three CPPs thus far.

**John Pentland:** The witnesses do not have to answer—just answer if you have further information that you are able to share.

**Antony Clark:** We have a number of examples in the report of how public bodies are working together to reconfigure services and deliver better outcomes for older people, younger people, people with particular health difficulties and so on. I will need to double-check, but I am fairly sure that at least some of those examples will have been developed through the change fund.

In the report, we talk about how the change fund and other bits of funding—what used to be called funny money—have been used to develop innovative ways of reconfiguring services. We make a more general point, which is that that is all very well and good but the real challenge is making the strategic shift of resources as well, so that good practice and innovation can be spread more widely and consistently across the public sector.

**The Convener:** I am not sure about the “funny money”. You may wish to clarify some of this in writing afterwards.

**John Pentland:** The other side of the issue is the problems that some local communities have in accessing funding and grants. There seems to be quite a tier of bureaucracy. They have to fill in a form that is the same for £1,000 funding as it would be for £10 million. There is an accountability issue there.

Caroline Gardner spoke earlier about the creation of localised bodies for service delivery. How can that be achieved? Would there need to be a change in the structure of local government for that to happen?

**Caroline Gardner:** That was not in my mind at all when I made that remark. I was thinking more about the fact that, in a lot of communities, there are already church groups or other community groups that do really good work in providing social support to older people—things as simple as popping in to have a cup of tea and a chat with somebody.

Some of that service delivery is already happening, and really good community planning and community empowerment would be to link up with what is already working, give groups the bit of support that might be needed to make a grant application for the funding that would help them to expand their services, and think about how those services could be joined up with the statutory service to do more sharing of information about, for example, older people who might be particularly vulnerable or going through a difficult time.

I was not thinking particularly about setting up new bodies; I was thinking about building on community activity—on the community services that many communities are already planning themselves—and about how that model could be replicated in other places where there is a need for it, by sharing the learning and the expertise that exists.

**Anne McTaggart:** I want to follow on from what you just said. How do we improve community empowerment and community engagement?

**Caroline Gardner:** We say in the report—Antony touched on it earlier—that there is loads of activity going on by all public bodies and, to an extent, by community planning partnerships as regards consulting communities. That is not yet going far enough in terms of understanding what matters to communities—what their needs and priorities are—or, in particular, involving them in designing and perhaps providing public services where that is the right solution locally.

My personal view is that we could do that work much better by being more transparent about how much we spend in a particular area and what public services are available from the council, police, health board and local FE college; and by giving people a sense of all the resources that exist and involving them in the discussions about the choices that can be made.

There are choices to be made—there is no question about that. My experience, and research much more widely, suggests that people understand that. They know that we cannot have everything and that we are making trade-offs between hospital beds and care for older people in the community—the sort of things that public bodies are grappling with. Making the debate more evidence based and treating people as partners in thinking about the choices would help to move it forward.

**Anne McTaggart:** What are the barriers to that?

**Caroline Gardner:** That is a great question, and I am not sure that we came across the answer to it in carrying out our audit work or the wider work that we do.

At present, the people who are managing public services tend to focus on managing those services first and consulting local people second. My sense is that the community empowerment bill that is due to be introduced is an opportunity to shift that balance a wee bit. It will symbolically show that engagement with communities matters and that it is important to engage them in a way that empowers them rather than just tell them things. It will encourage people to identify where engagement is working well and to build on that success by considering how it can be spread within a community planning partnership area and much more widely throughout Scotland.

**Margaret Mitchell:** You say in your submission that

“Technological advances present important opportunities to radically rethink how public services can best be delivered.”

Will you expand a little more on that point and perhaps give some examples?

**Caroline Gardner:** I will kick off, and John Baillie may want to come in. We have a number of examples of where technology is starting to have an impact. The best known example is probably telehealth. The ability in communities, particularly in remote and rural areas of Scotland, to join up the general practitioner who knows the community, the person involved and their family with the specialist in the central belt or somewhere else in Scotland through using technology is hugely powerful. With Government investment in that technology, we are seeing great examples of where it is having a big impact, but more can be done.

The convener mentioned West Lothian, which is making a big investment in the use of technology in older people's homes. If someone falls, that will be picked up remotely, and if there is no movement in a person's home at a time when it would be expected, or if their habits change, the technology alerts someone who can go to check that the person is okay.

All those examples are just indicators of what new technology could be used for if we take the opportunity—on which Mr Stevenson focused—to innovate, take a risk or do things a bit differently in a way that makes clear what the desired outcome is.

Every time I switch on my iPhone I find something else new and fantastic that it can do. There is huge potential for that sort of small-scale technology to make big differences if community planning partnerships are clear about the outcomes that they want for their communities and if they can be more flexible about how they organise themselves and use the resources and influence that they have.

**Margaret Mitchell:** Thank you—that is helpful.

In your submission, you note the need to consider alternative service delivery models, and you mention community partners in that context. Is there a reticence to involve some partners, such as the third sector, the voluntary sector or the private sector, in considering those alternatives?

**Caroline Gardner:** I do not think that there is a reluctance to involve them. It is a question of shifting the kaleidoscope slightly so that, instead of thinking first and foremost about public sector provision, we have a wider sense of what the options might be.

John Baillie said that shared services are not our starting point—we are thinking about options appraisals. That is true for an awful lot of things, not just for outsourcing back-office services. For example, if our aim for the community is to reduce reoffending among a group of 100 young men who we know are caught up in the criminal justice system, we need to ask how we do that using all the resources at our disposal, including the third sector. That is the way to start.

**Margaret Mitchell:** So more time is being spent on options appraisals as opposed to people automatically assuming that they will deliver something.

**Caroline Gardner:** Yes. Does John Baillie want to add anything?

**John Baillie:** A simple yes will suffice.

**Margaret Mitchell:** Okay—that is helpful.

**The Convener:** How much involvement has the third sector had in the audit work that you have carried out? What has its input been?

**Antony Clark:** We have recognised that we need to develop that area further, to be perfectly honest. We looked at the extent to which the third sector appears to be participating in strategic planning and in some of the operational groups, but we want to develop that a bit further as we progress the audit, not only because of the proposed community empowerment and renewal bill dimension but because of the important role that the sector can play—as Caroline Gardner and others have said—in providing different and new ways of delivering services for people in communities.

**The Convener:** I will play devil's advocate a bit, because we have heard many different things during the course of the evidence that we have taken. Do you have a view on change in legislation, guidance and initiatives? Do you think that there have been too many changes in legislation, guidance and initiatives and that maybe the public sector cannot manage those changes?

**John Baillie:** I offer with some hesitation to comment on that, because we must be careful not to stray into policy. We have detected that, regardless of the facts, there seems to be a perception locally that a lot of changes are happening and they are not necessarily joined up. That is a perception—I do not speak to the reality of it—but we pick up on that in our report.

**The Convener:** Are there specific areas that folk commented on?

**Antony Clark:** A strong signal came through that the CPPs were all at varying degrees of thinking through how to bring together health and social care integration with community planning. Police and fire service reform has local and national dimensions, and CPPs were all carefully thinking through how to progress the community safety work that has generally worked well under the umbrella of community planning.

**The Convener:** In some regards, CPPs are thinking more about the future in relation to health and social care integration, for those that have not already embarked on such a course.

**Antony Clark:** Yes.

**The Convener:** Are they thinking of future barriers?

**Antony Clark:** The point that I was trying to make was that the CPP audits took place at a time of considerable change and reform, not just in community planning but in other parts of the public sector. By definition, the CPPs then had to carefully think through how to deliver on the ambition of community planning being the forum for taking forward public service reform. They identified issues and challenges in bringing health and social care integration into the fold of community planning and were carefully thinking through how to make that joined up and well aligned.

**John Pentland:** We have had various reports showing that we must change and improve things, and it has been a long conversation, as you can well imagine. Caroline Gardner mentioned that, to improve things, the Scottish Government should enter into more collaboration. How can we, as a committee of the Scottish Parliament, help to improve things? You have given us a report that identifies many areas and allows us to have that conversation but, apart from doing what is in that report, how can we improve things?

**Caroline Gardner:** In the report, we say that the renewed focus on community planning offers a real opportunity to progress and we all think that that is the case. Mr Stewart asked whether there had been too much change in legislation. It is worth remembering that community planning has been in place since 1999 on a pilot basis, with

legislation introduced in 2003. We genuinely think that the statement of ambition and the review provide a big opportunity to pull together the national priorities and what is happening locally and to take away some of the barriers.

The committee can do something really important in getting across the message of empowering communities and front-line staff and almost scotching the idea that strong leadership means not listening to those voices and not making them part of the process. When we talk about leadership, we mean leadership that is open and confident enough to listen to those voices, share information with them and use them not just to help form the plans for what public services will look like but to shape those services and be at the centre of them. If the committee can focus on that message, on the opportunity of the new legislation on community empowerment and regeneration and on some of the barriers to what I described happening, that would be a step forward. That is my personal view.

**John Baillie:** I do not think that I can add anything different. I agree with everything that Caroline Gardner said. There is a general awareness issue, and the committee is a big part of generating that awareness within Parliament and outside it.

As an aside, on most of our reports we work with the media, but it is interesting that the media never picked up on the community planning work; it is not on their radar. The issue is not generally recognised as important by the populace.

11:30

**Antony Clark:** I have nothing to add. I agree with Caroline Gardner that sending a signal that communities and front-line staff are important would be very helpful.

**Stewart Stevenson:** My point is kind of a footnote to the whole matter. In the 1930s, the chief engineer of Vauxhall Motors—a guy called Laurence Pomeroy—said that, if you have to measure a change, you probably have not made one. Do you agree that CPPs fail the Laurence Pomeroy test?

**John Baillie:** It is fair to say that a lot of good work goes on in CPPs. The answer depends on what you mean by measurement. Of course, big changes—to which your quote referred—stand out. Some changes are less big and are perhaps sleepers whose benefit takes a few years to come home. Off the top of my head, the best example that I can think of is prevention. Today's prevention might not come home to roost for 10 to 15 years; that is a generational change. In the meantime, we still have to measure the activities that are invested in that prevention.

**Stewart Stevenson:** So it is perhaps time for us to wake up to the prospects of change from CPPs.

**Margaret Mitchell:** In your initial findings from the three CPPs that you looked at, you have talked about inconsistent leadership, whereas you always talk about wanting to achieve strong shared leadership. How do you stop local government being considered always as the leader? How do we achieve genuine shared leadership?

**John Baillie:** There are several issues. I will start with the statutory position. As you well know, councils had a duty to lead partnership development, which has meant that they have been associated very clearly with partnerships. I think that I am right in saying that the Scottish Borders community planning partnership is a committee of Scottish Borders Council, which goes one stage further.

How do we stop the situation that you described? We can do so by raising awareness, by doing all the things that we have talked about and by ensuring that there is proper capacity building in community partnerships. We can also do it by defining properly what we are trying to do.

**Margaret Mitchell:** Will you expand on capacity building in partnerships?

**John Baillie:** The national community planning group, to which Caroline Gardner referred, has a major role in addressing improvement and capacity building in CPPs and is addressing how best to do that. The group is aided and abetted by the Improvement Service, which is working hand in glove with it on the issue.

**Margaret Mitchell:** I am unclear about what is meant by the example of capacity building.

**John Baillie:** That means, for example, the ability to work as a partnership and the need to identify the rules of engagement. We then get into budget setting and all the other things that we have talked about. Capacity building starts with a proper understanding of why people are there; it does not mean necessarily that people bring all their responsibilities from their organisation into the partnership. People might bring responsibilities to which the partnership can make a particular difference. I am talking about the capacity to think, act and deal with other people and to seek control sometimes.

**Margaret Mitchell:** So the idea is about going back to first principles, trying to see the wood from the trees and being focused on what people are trying to achieve—the outcomes.

**John Baillie:** Yes. There is a general need for capacity and trust building. There are all sorts of techniques that the Improvement Service and others can help with as part of the journey.

**Caroline Gardner:** The statement of ambition says that community planning partnership boards have to act as genuine boards, with all the accountabilities, behaviours and so on that that implies. Most of them do not do so at the moment. We say in our report that they are focused on putting structures in place and building relationships. Most do not seem to have reached the point of having clarity about what the wood looks like, where they want to get to and how they will bring their resources and influence to bear to achieve that. Taking those next steps would make a huge difference. The commitment to take those steps and to hold each other to account for that is at the heart of getting the process to work.

**The Convener:** In the course of our recent inquiries, we have come across a number of cases of very good practice. How do we ensure that where that good practice fits—it will not fit everywhere—it is exported across the country?

**John Baillie:** I will start; Caroline Gardner might want to add her own points. We—the external scrutiny agencies—have a part to play in that process by publicising good practice and letting other partnerships know about it. We talked about technology a moment ago. Information about that is easily communicated around the country, if people are aware of it. After all, the virtual forum is there all the time.

That is part of the capacity building to which I referred—it involves CPP members taking a proper interest in what is going on in the community planning partnership rather than necessarily being restricted to what is going on in their own organisation. That means identifying the extra action and publicising that.

**Caroline Gardner:** As human beings, we tend to focus much more on problems than on what is working. We could do much more to celebrate success, particularly in Scotland. The committee's report could highlight those successes and perhaps link into the national community planning group referred to by John Baillie, which has a steering role for partnerships across the piece. It would be fantastic if we can think about how we can use new technology, as John said, to communicate examples, demonstrate why they are good and help people to consider how they can learn from that without needing to take a cookie-cutter approach.

**Antony Clark:** As Caroline Gardner said, the national community planning group has an important role to play. There are also networks of community planning managers who have an important part to play. The Improvement Service, the Scottish Government and many others have a part to play to ensure that people are made aware of things that are working effectively. People will then start to adopt those measures more widely.

**The Convener:** We will probably probe that a bit further when we talk to the national community planning group next week.

Thank you for your very useful evidence today.

11:37

*Meeting continued in private until 12:22.*





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e-format first available  
ISBN 978-1-78307-861-5

Revised e-format available  
ISBN 978-1-78307-873-8