
COMMISSION ON THE FUTURE DELIVERY OF PUBLIC SERVICES



**COMMISSION ON
THE FUTURE DELIVERY
OF PUBLIC SERVICES**

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FOREWORD



The invitation by the First Minister to Chair a Commission into the future delivery of public services in Scotland was one I was delighted to accept. Public services are important to us all but are of particular importance in protecting the vulnerable and disadvantaged in our society. They are central to achieving the fair and just society to which we aspire. They are also crucial in helping many to achieve the skills they need to be part of the labour market – and thus are vitally important to improving our economic performance.

However, our public services are now facing their most serious challenges since the inception of the welfare state. The demand for public services is set to increase dramatically over the medium term – partly because of demographic changes, but also because of our failure up to now to tackle the causes of disadvantage and vulnerability, with the result that huge sums have to be expended dealing with their consequences.

This rising demand for public services will take place in an environment of constrained public spending. In the absence of a willingness to raise new revenue through taxation, public services will have to ‘achieve more with less’.

Reforming the delivery of these services is not only a matter of fiscal necessity. We also have to implement reforms that improve the quality of public services to better meet the needs of the people and the communities they seek to support.

If we are to have effective and sustainable public services capable of meeting the challenges ahead, the reform process must begin now. The principles informing this process are clear:

- Reforms must aim to **empower individuals and communities** receiving public services by involving them in the

design and delivery of the services they use.

- Public service providers must be required to work much more closely in partnership, to **integrate service provision** and thus improve the outcomes they achieve.
- We must prioritise expenditure on public services which **prevent negative outcomes** from arising.
- And our whole system of public services – public, third and private sectors – **must become more efficient** by reducing duplication and sharing services wherever possible.

Experience tells us that all institutions and structures resist change, especially radical change. However, the scale of the challenges ahead is such that a comprehensive public service reform process must now be initiated, involving all stakeholders.

A range of consultations and reviews are already underway covering particular public services. The analysis and recommendations in this Report should now be used to determine the next steps in each of these areas.

Ultimate responsibility for reform rests, however, with the Scottish Government. I urge them to act quickly and decisively – as a society we no longer have time for delay. I believe the way forward is clear, and it is now essential that the Scottish Government exercises its leadership by initiating a fundamental public service reform process.



DR CAMPBELL CHRISTIE CBE

KEY MESSAGES



The Commission believes Scotland's public services are in need of urgent and sustained reform to meet unprecedented challenges.

The pressure on budgets is intense and public spending is not expected to return to 2010 levels in real terms for 16 years. In addition, new demographic and social pressures will entail a huge increase in the demand for public services. The economic downturn will also intensify and prolong demand.

Unless Scotland embraces a radical, new, collaborative culture throughout our public services, both budgets and provision will buckle under the strain.

Despite a series of Scottish Government initiatives and significant growth in public spending since devolution, on most key measures social and economic inequalities have remained unchanged or become more pronounced. The evidence submitted to us demonstrated that these inequalities account for a significant element of the increasing demands on our public services.

This suggests that a radical change in the design and delivery of public services is necessary, irrespective of the current economic challenges, to tackle the deep-rooted social problems that persist in communities across the country.

A cycle of deprivation and low aspiration has been allowed to persist because preventative measures have not been prioritised. It is estimated that as much as 40 per cent of all spending on public services is accounted for by interventions that could have been avoided by prioritising a preventative approach.

Tackling these fundamental inequalities and focussing resources on preventative

measures must be a key objective of public service reform.

The Commission has also received considerable evidence demonstrating serious shortcomings in the capacity of public services as presently organised to deliver better outcomes.

The public service system is often fragmented, complex and opaque, hampering the joint working between organisations which we consider to be essential.

As a whole, the system can be 'top down' and unresponsive to the needs of individuals and communities. It lacks accountability and is often characterised by a short-termism that makes it difficult to prioritise preventative approaches.

Addressing these systemic defects will require a fundamental overhaul of the relationships within and between those institutions and agencies – public, third sector and private – responsible for designing and delivering public services.

Evidence drawn from written submissions to the Commission, public discussion events and stakeholder meetings, demonstrates that some new approaches – characterised by collaboration between organisations and partnerships with people and communities – are making a real difference and can provide positive models for the future.

However, these are isolated examples. A priority for government should be to ensure such approaches become the norm, benefiting individuals and entire communities.

In contrast to previous work concentrating on specific aspects of public service reform, this Commission was asked to look across

the whole field of public service delivery, and examine the challenges, obstacles and opportunities that lie before us. On this basis, we were asked to map out a way forward for the reform of public services.

The priorities we identified include:

- **Recognising that effective services must be designed with and for people and communities – not delivered ‘top down’ for administrative convenience**
 - **Maximising scarce resources by utilising all available resources from the public, private and third sectors, individuals, groups and communities**
 - **Working closely with individuals and communities to understand their needs, maximise talents and resources, support self reliance, and build resilience**
 - **Concentrating the efforts of all services on delivering integrated services that deliver results**
 - **Prioritising preventative measures to reduce demand and lessen inequalities**
 - **Identifying and targeting the underlying causes of inter-generational deprivation and low aspiration**
 - **Tightening oversight and accountability of public services, introducing consistent data-gathering and performance comparators, to improve services**
 - **Driving continuing reform across all public services based on outcomes, improved performance and cost reduction**
 - **Implementing better long-term strategic planning, including greater transparency around major budget decisions like universal entitlements**
- Our specific recommendations include:
- **Introducing a new set of statutory powers and duties, common to all public service bodies, focussed on improving outcomes. These new duties should include a presumption in favour of preventative action and tackling inequalities**
 - **Making provision in the proposed Community Empowerment and Renewal Bill to embed community participation in the design and delivery of services**
 - **Forging a new concordat between the Scottish Government and local government to develop joined-up services, backed by funding arrangements requiring integrated provision**
 - **Implementing new inter-agency training to reduce silo mentalities, drive forward service integration and build a common public service ethos**
 - **Devolving competence for job search and support to the Scottish Parliament to achieve the integration of service provision in the area of employability**
 - **Giving Audit Scotland a stronger remit to improve performance and save money across all public service organisations and merging the functions of the Auditor General and the Accounts Commission**
 - **Applying commissioning and procurement standards consistently and transparently to achieve competitive neutrality between suppliers of public services**
 - **Reviewing specific public services in terms of the difference they make to people’s lives, in line with the reform criteria we set out.**

In short, work to reform public services needs to be urgent, sustained and coherent.

We are proposing an approach based on a thorough understanding of how public services could improve the quality of life and outcomes for the people of Scotland, while focussing relentlessly on driving out costs.

It follows that any reform of organisational boundaries should be 'bottom up' – based on the reality of delivering front-line services – rather than 'top down', or solely motivated by the desire to make savings.

We believe that Scotland's public service landscape is unduly cluttered and fragmented, and that further streamlining of public service structures is likely to be required. But any specific proposal for reform needs to be driven by how best services can achieve positive outcomes, based on a comprehensive cost-benefit analysis. Otherwise, we risk bearing the significant costs of structural change, without reaping any real rewards.

Times of fiscal austerity inevitably require the Scottish Government to take difficult public spending decisions between competing demands. The *2010 Report of the Independent Budget Review* (IBR) highlighted the immediate pressures on the Scottish budget in this regard, and provided a range of policy options for containing public spending in the short term.

Contentious issues such as the continuation of universal entitlements must be considered openly and transparently, rather than in the current polarised terms.

But, as the IBR noted, we also have to look beyond the current crisis and devise a model of public services that is both financially sustainable and is capable of meeting the significant longer-term challenges society faces.

This also will confront the Scottish Government with stark choices about priorities, and raise a wider range of contentious issues.

For instance, achieving a radical shift towards preventative public spending is likely to be controversial, but we consider it to be essential. It is this longer-term vision for public service delivery which this Commission had to address.

In this report we have set out a way forward for Scotland's public services, reflecting the significant challenges – and opportunities – that lie before us.

We now call on the Scottish Government and local authorities together with all their partners and stakeholders to initiate these reforms. The goal must be nothing less than a thorough transformation of our public services. The prize is a sustainable, person-centred system, achieving outcomes for every citizen and every community.

1. INTRODUCTION



1.1 The quality of life in Scotland depends in no small measure on the quality of its public services.

1.2 This country is a paradoxical tapestry of rich resources, inventive humanity, gross inequalities, and persistent levels of poor health and deprivation. Against that backdrop, the public services of the future must not only continue to provide a safety net for the vulnerable, but make a coherent contribution to a stronger, healthier, economically viable and more equitable society.

1.3 The daunting scale of that challenge is exacerbated by the expected drop in available funding for the next several years, the changes in Scottish demography, the resultant increase in demand, and an ever growing expectation of what public services should deliver.

1.4 The Scottish Government asked that our thinking be informed by a particular ethos – a set of guiding beliefs or principles – that should underpin the delivery of public services to the citizens of Scotland. Central to that ethos is the conviction that public services exist to support a fair and equal society, and to protect the most vulnerable.

1.5 While public services do not determine the nature of Scottish society, they both reflect the ethical foundations of that society, and help to shape its development. We ignore this at our peril – reform which did not embrace this ethos could result in the erosion of the collective nature of social responsibility which has long been a defining characteristic of our country.

1.6 Across this broad territory, we have seen the Commission’s role in contributing to the future success of Scotland’s public services as:

- looking across the whole field of public services;
- taking stock of the position we are in and the challenges that lie ahead; and
- mapping out a way forward for the reform of public services which reflects the broader, characteristically Scottish social principles and ideals on which our public services are founded.

1.7 A detailed account of our work as a Commission is given at Annex A.

1.8 We are clear that our system of public service delivery is in need of a significant transformation. Above all, we need to design and deliver services with and for people, rather than forcing people into pre-determined systems.

1.9 A key goal of this process should be to nurture and encourage the many new approaches which are already harnessing and utilising the resources and energies of a significant number of communities across Scotland.

1.10 What distinguishes these positive approaches is that they are grounded in people’s lives, and the lives of communities (of place and of interest). Typically, people, communities and services work together to decide priorities and how to achieve their delivery while the focus is on fitting services to people, not people to services. They also maximise all the resources and assets available, and the process itself builds the capacity of all those involved.

1.11 Our report, therefore:

- provides an assessment of the **challenges** facing our public services (Chapter 2);
- argues for an urgent, sustained and coherent **programme of public service reform**, and proposes an approach to that programme, including four key objectives (Chapter 3);
- discusses each of those four key objectives in turn, and makes a number of specific **recommendations for reform** where we consider these essential to the achievement of the key objectives (Chapters 4 to 7); and
- summarises the **key elements of the programme of reform** which should be taken forward, including a **set of criteria** against which any specific proposals for the reform of public services should be assessed (Chapter 8).

1.12 Our report is designed to complement parallel and more detailed proposals on the reform of specific service areas. Action on reform should be informed both by this report and by that more specific work.

2. CHALLENGES FACING OUR PUBLIC SERVICES



INTRODUCTION

2.1 The aim of this chapter is to describe the economic and budgetary context in which the Commission is making its recommendations and, in particular, to outline the nature and scale of the major challenges that Scotland's public services will confront over the course of this Parliament and beyond.

2.2 It is important to recognise that the underlying financial challenges facing the future delivery of public services are not solely, or even principally, a consequence of the current budgetary situation. They also reflect long-standing needs in Scottish society as well as new demands, particularly from demographic change.

2.3 Obviously, the financial and economic crisis that began in 2007 is directly responsible for the sharp deterioration in the revenue available to the Scottish Parliament over the next few years and which, in turn, has placed considerable pressure on the current provision of public services.

2.4 The broad parameters within which public spending in Scotland will be determined over the short to medium term were clearly elaborated by the Independent Budget Review (IBR) Panel in their Report of July 2010.¹ That work remains a key authoritative account of the scale of the fiscal squeeze confronting the Scottish Government over this spending review period and we have drawn substantially on their evidence.

2.5 The recommendations we make will contribute principally towards the better sustainability of public services over the medium to long term. However, their

prompt implementation would help to improve services and deliver cost savings in the short term, thereby alleviating some part of the current financial pressure on public services.

2.6 The following four sections focus attention on:

- the major public policy challenges that arise from deep-rooted inequalities in Scottish society;
- the links between public services and growth – in particular, the potential to engender a virtuous cycle of improved services and stronger economic development;
- the trends in devolved public spending and the outlook for Scotland's public finances; and
- the significant pressures on public services including rising costs and the demand implications of predicted demographic change.

PUBLIC SERVICES AND INEQUALITIES

2.7 The greatest challenge facing public services is to combat the negative outcomes for individuals and communities arising from deep-rooted inequalities.

2.8 This challenge is not new but public policy has failed consistently to resolve it, despite political initiatives and the strong growth in public spending in the first decade of devolution. Part of the problem has been a failure to prioritise preventative measures; a weakness which helps trap individuals and communities in a cycle of deprivation and low aspiration.

¹ *The Report of Scotland's Independent Budget Review Panel*, IBR (July 2010). <http://www.scotland.gov.uk/About/IndependentBudgetReview>

2.9 Research carried out by the Improvement Service demonstrates that the gap between the top and bottom of the distribution in key outcomes such as income, employment, health, learning and safety is significantly wider in Scotland than in other European countries.² Worse still, most of these negatives are inter-related, mutually reinforcing and often clustered in small areas.

2.10 A number of important outcomes for the Scottish population have improved since the late 1990s but, on most key dimensions, inequalities have remained unchanged or become more pronounced.

2.11 Healthy life expectancy and household income have, in general, improved as have some learning outcomes, and the overall risk of being a victim of crime. However, the income inequality gap has widened since devolution due to an increase in the income of the 30 per cent of the population with the highest incomes, while the income of the 30 per cent of the population with the lowest incomes has remained static.

2.12 In education, the gap between the bottom 20 per cent and the average in learning outcomes has not changed at all since devolution. At the same time, the gap in healthy life expectancy between the 20 per cent most deprived and the 20 per cent least deprived areas has increased from 8 to 13.5 years and the percentage of life lived with poor health has increased from 12 to 15 per cent since devolution. The link between deprivation and the likelihood of being a victim of crime has also become stronger.

Costs of alleviating social problems

2.13 All this impacts negatively on individuals and communities (illustrated in Box 2.1 below), while the consequences of disadvantage impose significant financial burdens on public services and society in general.

2.14 High levels of public resources are devoted annually to alleviating social problems and tackling 'failure demand' – demand which could have been avoided by earlier preventative measures. But it is a reactive spending – targeting the consequences not the causes of inequalities.

...the Group has estimated that dealing with negative demand, i.e. negative outcomes retrospectively, absorbs 40%+ of local public service spending.

National Community Planning Group

2.15 Until now we have funded that 'failure demand' with annually increasing budgets. That is no longer an option. So tackling these fundamental inequalities has to be a key objective of public service reform.

² *Distribution of Negative and Positive Outcomes in Scotland*, Mair, C., Zdeb, K. & Markie, K., Improvement Service (2011)

Box 2.1 – Evidence from EHRC on the links between inequality and outcomes

The Equality and Human Rights Commission (EHRC) presented evidence to the Commission that was based on an analysis of reliable evidence and data on seven equality strands.^{1,2} It concluded that the link between equality and outcomes is a consistent theme throughout the Scottish data. For example:

- Half of all young people in Scottish prisons have been in care. This rises to 80 per cent when looking only at those convicted of violent offences. This is despite just one per cent of all Scottish children having been in care.
- 32 per cent of adults in the most deprived areas in Scotland report a long-standing illness, disability or health problem compared to 14 per cent in the least deprived areas.
- It is estimated that only 20 per cent of gypsy and traveller children of secondary school age in Scotland regularly attend school; this figure may be even lower in remote areas. Even those who attend school experience unequal access to an appropriate curriculum, teacher expectations and cultural support.
- Across Britain, the employment rate for disabled adults is just over half the rate of non-disabled adults. In Scotland the employment rate for working age adults without disability is 82 per cent, while it is only 47 per cent for disabled working age adults. Employment rates are particularly low for those who are both generally and work-limiting disabled³ – at only 29 per cent in Scotland.
- Disabled people are more likely to be on low incomes compared with the general population – with 15.7 per cent of disabled people in Scotland earning below 60 per cent median hourly earnings (the technical definition of poverty in Scotland).
- Scottish households headed by females with children are more likely to live in poor housing (12 per cent) than male headed households with children (3 per cent).

Notes

¹ *How Fair is Britain? The first triennial review executive summary*, EHRC (2010)

<http://www.equalityhumanrights.com/key-projects/triennial-review/full-report-and-evidence-downloads/>

² This includes: age, disability, gender, race and ethnicity, religion or belief, sexual orientation and transgender.

³ This defines disability as having 'a physical or mental impairment which has a substantial and long term adverse effect on a person's ability to carry out normal day to day and work activities' (Disability Discrimination Act).

PUBLIC SERVICES AND ECONOMIC DEVELOPMENT

2.16 Public services play a crucial role in shaping the society and the economy of Scotland. They make a major contribution to the wellbeing of our communities, enable many people to participate fully in society and promote economic development.

2.17 Many public services are social investments. They may be targeted at individuals or communities but contribute to a better educated workforce, a healthier population, a more vibrant and resilient economy and a well-founded sense of social cohesion.

2.18 Public services make a significant direct and indirect contribution to Scotland's economy, being a major source of employment and a source of private sector demand.

2.19 The public sector alone produces over one-fifth of Scotland's total economic output – a substantial concentration of economic power which has the potential to generate further economic activity.³ A large proportion of the output of other sectors of the economy – the private and third sectors – is linked to the annual public sector procurement budget of over £9 billion.

2.20 As importantly, public services have a significant influence on the quality of the business environment with a role in control of planning, infrastructure, enterprise support and investment in research and innovation. They have impact too through

public transport, social housing, skills developed in schools, colleges and universities and through training and re-training programmes aimed at increasing job prospects for the unemployed. The collateral bonus is reducing unemployment and its associated demands on public services.

2.21 Public services are therefore a crucial element in enhancing opportunity to the advantage of individuals and society, improving social outcomes and lessening 'negative' demands on public services. In turn, economic growth provides the resources that fund our public services.

2.22 So, the Commission does not regard public services as a drag on economic progress. It takes a positive view of public services and stresses the importance of a virtuous cycle between improving the delivery and effectiveness of public services and fostering stronger and more balanced economic development. And it strongly believes in the importance of developing a fairer society in pursuit of that goal.

DEVOLVED PUBLIC SPENDING TRENDS AND OUTLOOK

2.23 The overwhelming share of spending on devolved public services in Scotland is financed by the block grant from Westminster. The annual change in the block grant is determined by the application of the Barnett Formula, under which an adjustment is made to the grant according to changes in funding to those UK Government departments whose counterpart functions in Scotland are devolved to the Scottish Government.

3 National accounts definition of 'Public administration, education and health' (see latest statistics at <http://www.scotland.gov.uk/Topics/Statistics/Browse/Economy/PubGDP>).

2.24 The ability of Scottish public services to raise revenues to supplement the block grant is relatively limited. At the national level, the Scottish Parliament is able to vary the basic rate of income tax in Scotland by up to three pence in the pound, which could be worth approximately £1.2 billion in 2011-12. Other taxation levers include the council tax and non-domestic rates.

Scottish budget since devolution

2.25 As a consequence of increases in UK-wide public spending, the Scottish block grant more than doubled in cash terms and increased by 60 per cent in real terms between 1999 and 2010. This corresponds to an average annual growth rate of over 5 per cent in real terms spending during the period.

2.26 Scotland's devolved budget, expressed in real terms, peaked in 2009-10 before falling for the first time since devolution in 2010-11 (see Figure 2.1 opposite). The downward trend accelerates in this financial year, 2011-12, which is the first year of the new spending review period.

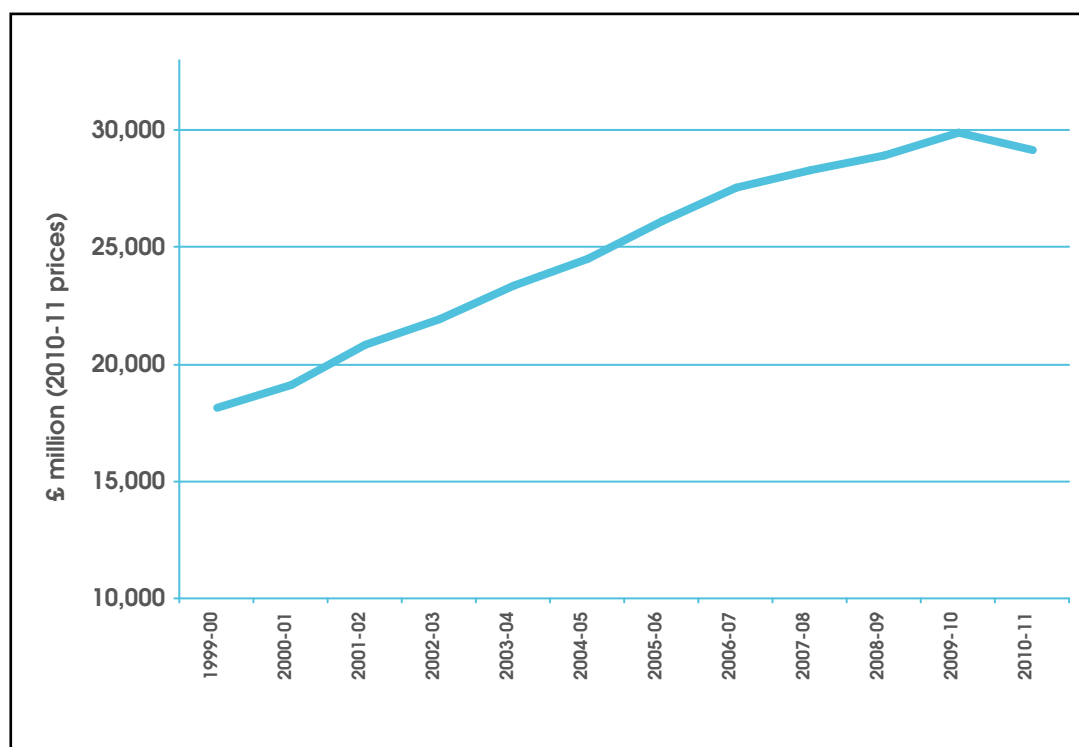
2.27 The onset of the global financial crisis in 2007 and the subsequent economic recession led to the UK Government introducing significant cuts in public spending over the current spending review period. In addition to the direct impact of these cuts on the Scottish block grant and thus Scottish public services, there will be additional indirect consequences for Scotland's public services as spending on reserved policies (including pensions, job-seekers allowances and a range of welfare benefits) is also curtailed.

2.28 Public sector employment rose between 1999 and 2010, though the public sector's share of total jobs remained broadly stable, increasing marginally from 23.1 per cent in 1999 to 23.2 per cent in 2010.⁴ This proportion is somewhat higher than in the rest of the UK but, as the Council of Economic Advisers pointed out in their *Third Annual Report*,⁵ that dominance is not as great as some people might imagine:

There is a widespread perception that Scotland is particularly dependent on public sector employment but this claim has little basis in fact. Per capita public expenditure on health and education, and on some other services, is around 10 per cent higher in Scotland than in the UK as a whole. The proportion of workers employed in public sector activities, at 23 per cent against a UK figure of 20 per cent, reflects this difference.

4 Readers should note that this is the Scotland-wide average and the predominance of public sector employment varies substantially between and within local labour markets. Some parts of Scotland have a much heavier reliance on public sector employment than the Scotland-wide average.

5 *Third Annual Report*, Scottish Council of Economic Advisers (December 2010), page 5.

Figure 2.1 – Scotland’s Devolved Budget Since Devolution

Source: Scottish Government

Short-term outlook for public expenditure

2.29 As a consequence of decisions announced in the 2010 UK spending review,⁶ the Scottish Government's total budget in cash terms fell this year by £1.3 billion and remains well below its 2010-11 level in each of the next three years to 2014-15 (see Table 2.1 below). Total Scottish departmental expenditure limit (DEL) expenditure will fall in real terms by over 11 per cent between 2010-11 and 2014-15, comprising an 8 per cent real terms cut in resource DEL and a 36 per cent real terms cut in capital DEL.

Table 2.1 – Scottish Government's DEL Budget

	Cash terms – £s million						Real terms change (%)
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2010-11 to 2014-15
Resource DEL	25.2	25.9	25.4	25.8	26.0	26.2	-8.1
Capital DEL	3.9	3.3	2.5	2.5	2.2	2.3	-35.9
Total DEL	29.1	29.2	27.9	28.3	28.2	28.5	-11.3

Source: *Scotland's Spending Plans and Draft Budget 2011-12*, Scottish Government (2010)

⁶ *Spending Review 2010*, HM Treasury (October 2010).

Independent Budget Review

2.30 In July 2010, the Independent Budget Review (IBR) set out a range of policy options the Scottish Government had at its disposal to ameliorate the impact on the delivery of public services of this real terms decline in the Scottish budget.

2.31 A number of these recommendations focussed on measures that would reduce total spending on public services over the immediate future including efficiency-enhancing reforms, wage restraint across the public sector, and re-visiting the question of the universal free provision of some public services.

2.32 Certainly measures aimed at reducing public spending quickly are essential or total Scottish public spending will exceed revenue. Nonetheless, we believe that any measures to ease immediate budget pressures should recognise the needs of the most vulnerable in society and contribute to a permanent reduction in demand. That demand has the greatest impact on the long-term costs of public service delivery.

Longer-term fiscal outlook

2.33 Considerable uncertainty surrounds the fiscal outlook beyond the current spending review. It is not easy to predict beyond 2014-15, and it is not easy to be optimistic.

2.34 Future resources available to the Scottish Government via the Barnett Formula will be affected by a host of influences. These include:

- the pace of recovery in the UK economy;
- the success of the UK Government's financial sector rescue package;
- the impact of policies designed to restrain UK spending (e.g. welfare reforms as discussed in Box 2.2 below);
- the impact of global commodities prices (e.g. oil prices);
- the effect on Scotland of UK policy changes such as higher tuition fees; and
- the effects of any fiscal changes enacted through the Scotland Bill.⁷

⁷ Scotland Bill (HC Bill 164) – see <http://services.parliament.uk/bills/2010-11/scotland.html>.

Box 2.2 – Potential implications of UK welfare reforms

In February, the UK Government introduced the Welfare Reform Bill (2011),¹ proposing the biggest change in the UK welfare system for over 60 years. The reforms aim to strengthen work incentives, simplify the tax and benefit system and tackle administrative complexity.

The Bill proposes the introduction of a new 'Universal Credit' to replace a range of existing benefits and tax credits for people of working age (including income-based jobseekers allowance, income-based employment support allowance, working tax credit, child tax credit and housing benefit), starting in 2013.

Other proposals in the Bill include: the introduction of Personal Independence Payments (PIP) to replace the Disability Living Allowance (DLA); restrictions to housing benefit entitlements around accommodation size; caps to the total amount of benefit that can be claimed; devolution of the discretionary elements of the Social Fund; and new measures designed to tackle fraud.

The Scottish Government, in partnership with the Convention of Scottish Local Authorities (COSLA), has co-convened two external reference groups, the Welfare Reform Scrutiny Group and the Housing Benefit Stakeholders Advisory Group, to bring together stakeholders to develop a robust understanding of the impacts and potential consequences of these reforms.

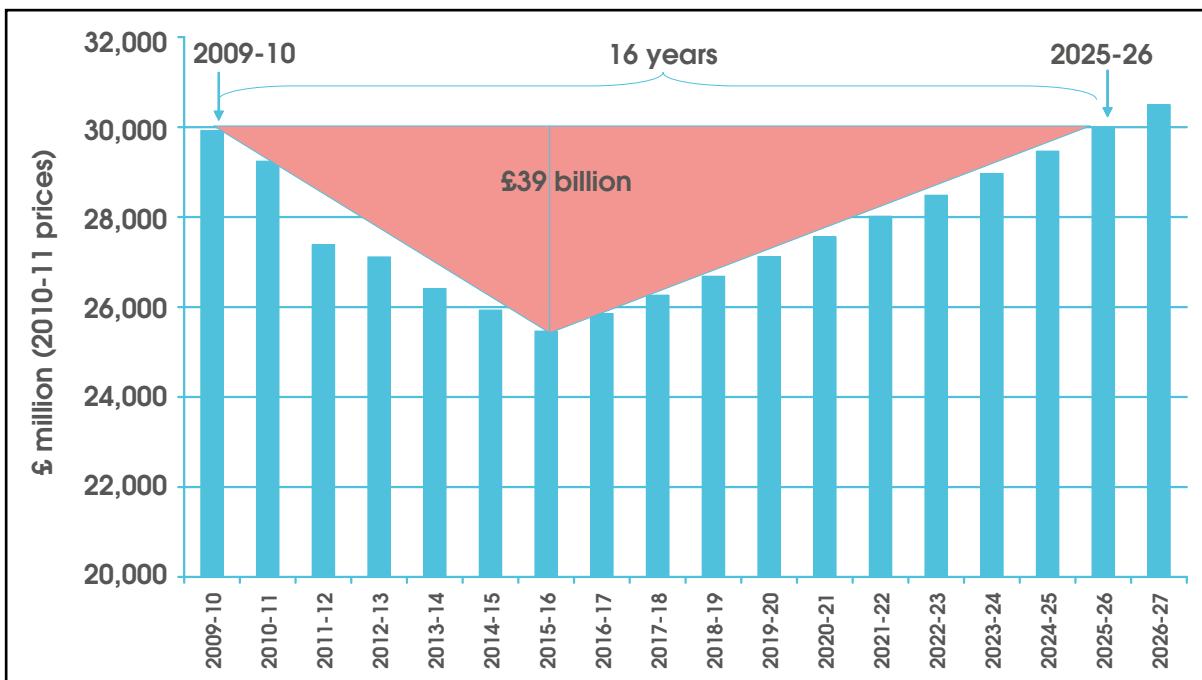
In terms of general principles, the Scottish Government has made clear that it supports the simplification of the welfare system. However, as the Legislative Consent Memorandum lodged with the Scottish Parliament states, the Scottish Government's expectation is that:

"the real value of these benefits will be driven down prior to roll-out, through a narrowing of entitlement for benefits such as PIP (replacing DLA) and housing support. This is likely to lead to additional costs being incurred for devolved services. Although, we are not currently in a position to estimate the extent of this cost increase, work is in hand to draw this out using case studies generated by the Welfare Reform Scrutiny Group."

¹ Full details of the contents of the Bill are provided on the Parliament website: <http://services.parliament.uk/bills/2010-11/welfarereform.html>

2.35 The prospective long-term outlook for Scottish Government expenditure in light of the UK Government’s fiscal consolidation plans was examined in analysis produced by the Chief Economic Adviser to the Scottish Government.⁸ This work, produced after the June 2010 UK budget and based on a range of assumptions, suggests that it may take until 2025-26 for the Scottish budget to return to its 2009-10 levels in real terms – an adjustment period of 16 years (see Figure 2.2 below). At 2010-11 prices, the shortfall over that period is approximately £39 billion.

Figure 2.2 – Illustrative Outlook for Scottish DEL Expenditure



2.36 A straightforward review of the medium- to long-term fiscal outlook for Scotland suggests a significant decline in the resources available to finance the provision of public services. However, the decline in resources is only one element in the challenges ahead. At the same time as the resources available to provide public services are declining, we can expect a substantial increase in demands.

PRESSURES ON PUBLIC SERVICES

2.37 A combination of rising demand and cost pressures compounds the impact of Scotland’s tightening budget. Some of these pressures are cyclical and arise as a consequence of the current economic downturn. Others are longer-term and structural in character, and will affect permanently the financial sustainability of public services as presently delivered.

8 Outlook for Scottish Government Expenditure: June 2010 Emergency Budget Update, Scottish Government (July 2010).

Impacts of the economic downturn

2.38 It is inevitable that the demand for public services will rise during periods of economic downturn and this invariably puts a strain on public finances. As joblessness increases, more individuals and families become eligible for a range of locally and nationally provided public services, putting added pressure on already scarce financial resources.

2.39 Under normal conditions budget deficits are temporary and can be financed by higher central government borrowing. However, because the current economic downturn occurred when the UK public debt level was already deemed to be excessive, the UK Government will only sanction limited further borrowing.

2.40 The longer the economic downturn lasts, the more complex are the public service needs of those directly affected and the longer their likely reliance on public services – given that individuals experiencing long-term unemployment find it increasingly difficult to re-enter the labour market.

2.41 The speed at which the Scottish economy recovers from the current downturn will therefore have an important bearing on the short- and long-term demand for, and costs of, public services. While there have been some positive signs in recently published labour market statistics, many experts remain very concerned that the Scottish economy has not yet embarked on a sustained period of economic recovery. The longer the recovery is delayed, the more serious the implications for future public services demand.

2.42 The downturn has had differing effects on local economies and labour markets. Emerging evidence suggests that regional employment disparities across Scotland have worsened, compounding disadvantage in areas of persistent and multiple deprivation. So, while the impact of the economic downturn will be temporary in some instances, its severity will result in a long-term increase in demand for public services from both individuals and communities with high unemployment. These effects impact on the range and diversity of public services required.

Long-term trends in demand for public services

2.43 The most significant challenge to sustainable services is the likely and considerable escalation in demand in the longer term.

2.44 While the Scottish Government's projections can provide estimates up to 2025 for budget revenue, there is no comparable, authoritative data for the growth in demand or the costs of meeting it. This lack of comprehensive analysis of future demand is a gap which must be filled, not just to improve resource allocation and transparency, but to inform public debate about how to address these issues.

2.45 We return to this point in [Chapter 7](#) in our recommendation on the requirement for improved long-term analysis.

Box 2.3 – Assessing the scale of the demand challenge

Despite the lack of authoritative estimates, the scale of the future demand challenge for public services can be assessed in approximate orders of magnitude. For example, NESTA (National Endowment for Science, Technology and the Arts) has produced an estimate based on published sources of information that indicates that over the next 15 years:

“Scotland’s public services will need to cope with additional demands in health, social care and justice alone amounting to more than £27 billion, due in particular to an ageing society and the prevalence of certain ill-health conditions.”¹

The Scottish Government has estimated that if current models of care continue, the care budget of approximately £4.5 billion will need to increase by £1.1 billion by 2016 and £3.5 billion by 2031.²

For local government services alone, projections commissioned by the Strategic Funding Review Group (SFRG)³ show that if services remain as currently configured a gap of over £3 billion could arise between demand and available resources by 2016-17 (see Improvement Service submission). Over half of this projected gap would be driven by demand growth.

Notes

¹ *Radical Scotland – Confronting the challenges facing Scotland’s public services*, NESTA (October 2010).

² *Reshaping Care for Older People*, Scottish Government (2010).

³ SFRG is an officer group that comes together to undertake budget scenario planning. The group comprises representatives from SOLACE, Directors of Finance, Improvement Service, COSLA staff and Scottish Government officials.

2.46 Arguably almost all public services play some role in delivering social justice, addressing the consequences of socio-economic inequalities and disadvantage and supporting the vulnerable in society. The following factors have been identified as principal drivers of this:

Demographic trends

- Between 2008 and 2033, the number of people aged 60 and over is projected to increase by 50 per cent; numbers aged 75 and over will increase by 84 per cent.⁹ These trends affect public expenditure demand, not least because many universal entitlements (e.g. public sector pensions and concessionary travel) are triggered by age criteria alone, irrespective of income or health status.

- Older people also make a major positive contribution to the economy and society. As well as contributing financially – through taxes, spending power and donations – they make a significant social contribution as active citizens, including through volunteering, provision of social care and providing the ‘social glue’ of communities and families.

Failure demand

- As noted earlier, some estimates suggest more than 40 per cent of local public service spending is attributable to ‘failure demand’. It is clear that substantial savings to public service costs are achievable by prioritising preventative services addressing generational inequalities.

⁹ *Scotland’s Population 2009*, General Register Office for Scotland (2010), page.22. www.gro-scotland.gov.uk/files2/stats/annual-review-09/rgar2009.pdf

- One aspect of 'failure demand' is reflected in Scotland's prison population, which has risen steadily since the early 2000s. The Scottish Government's projections suggest a further 20 per cent increase in prisoner numbers by the end of this decade. Such increases would put considerable additional pressure on budgets and potentially divert resources away from rehabilitation activities and tackling overcrowding.

Capital budgets

- The provision of public services involves substantial capital expenditure. The costs of increasing, maintaining and financing the capital stock for public services will place considerable strain on the public finances going forward.
- Forced cut-backs in capital expenditure that reduce essential repairs and maintenance over the next few years will represent spending deferred rather than avoided – deficits that arise will have to be made good at a later date.

Current budgets

- Most public services are currently delivered by the public sector, and labour accounts for a large percentage of public sector costs. Given rising demand and falling budgets, it is clearly important to minimise the direct costs associated with meeting demand, especially when external cost pressures will be ever more evident.

Climate change and the environment

- The Scottish Government is committed to meeting ambitious emissions reduction targets and has produced detailed analysis of the financial costs of associated policies and proposals. How much will be borne by public services is not known but clearly domestic and EU environmental legislation will place considerable additional pressures on public service budgets.

Devolved / reserved Issues

- Scotland is vulnerable to changes in UK policy – in reserved and devolved areas – that impact on needs and the availability of funding delivered through the Barnett Formula. In addition to the welfare reforms already mentioned, UK policy in areas such as defence, taxation and higher education funding will have consequences for Scotland and for the resources made available to the Scottish Parliament.

CONCLUSION

2.47 Taken together, the factors outlined in this chapter represent a very significant challenge to the long-term financial sustainability of Scotland's public services.

2.48 Our analysis suggests that responses to these challenges must include:

- taking demand out of the system through preventative actions and early intervention to tackle the root causes of inequality and negative outcomes;
- working more closely with individuals and communities to understand their needs and mobilise a wider range of Scotland's talents and assets in response to these needs, and to support self-reliance and community resilience;
- tackling fragmentation and complexity in the design and delivery of public services by improving coherence and collaboration between agencies and sectors; and
- improving transparency, challenge and accountability to bring a stronger focus on value for money and achieving positive outcomes for individuals and communities.

2.49 The next chapter considers the capability of public services to address these challenges.

3. REFORMING OUR PUBLIC SERVICES



INTRODUCTION

3.1 As demonstrated earlier, Scotland's public services face a lengthy period of tight financial constraint against a backdrop of mounting demand and cost pressures. So, how well-placed are our public services to respond to a harsher environment and what aspects need reformed?

3.2 The scale and duration of the emerging challenges demand careful financial management and continuous improvements in service productivity, but it would be wrong to let the financial situation dominate our thinking. The issues are not confined solely to operational questions of efficiency, effectiveness and value for money.

3.3 We believe the debate must be broader, encompassing deeper questions about the design and delivery of public services, their values and ethos. We need to consider the responsibilities of individuals and communities alongside organisational cultures. We need to embed openness and democratic accountability and examine the means of control and authority. We believe these broader themes are at the heart of how the future delivery of public services can be improved.

MAKING THE CASE FOR CHANGE

3.4 The evidence we received makes the case for far-reaching transformation of public services and highlights clearly several areas for positive change:

Rather than repeat the mistakes of our recent history, we need to steer a different course towards holistic public service reform, which is driven by values, which is evidence based, and importantly, which is unapologetic in its ambition to improve outcomes.

Convention of Scottish Local Authorities (COSLA)

One of the most important issues to be addressed in reforming Scotland's public services is a need to achieve greater simplicity through improved integration and coordination than exists at present.

Society of Local Authority Chief Executives
(SOLACE Scotland)

It is important to set out the direction and the roles and responsibilities of partner agencies and how performance will be assessed, and to ensure that partnership arrangements, and their governance and accountability arrangements, are fit for purpose and support effective decision making.

Audit Scotland

The big issue is that partners generally have a lack of visibility of how the totality of their spend (including use of assets) does, will and could affect their priority outcomes and key client groups.

Deloitte

The current system creates a bias towards institutional spend in hospitals rather than health improvement, in care homes rather than home care, in prisons rather than reoffending.

National Community Planning Group

3.5 We have seen many innovative and positive approaches but also heard a range of concerns about the current arrangements. Our work as a Commission has highlighted a range of key shortcomings which undermine the capacity of public services to produce better outcomes.

Fragmentation and complexity

- Scotland's patchwork of strategic authorities delivering public services is a complex product of its political and social history, having evolved piecemeal over many decades in response to society's changing needs and demands.
- This complexity is reflected in inadequate strategic coordination between public service organisations that work routinely to different objectives, with separate budgets and processes for accountability.
- Operational duplication is rife between different services.
- Points of authority and control are dispersed widely among varied public bodies, making joint-working and reform difficult. Collaboration often relies on the persistence and flexibility of individual front-line workers and leaders.
- Post-devolution, divided responsibilities and policy disconnects between the UK and Scottish Governments are evident and impact on users' needs for coordinated services.

Producer dominance

- Government remains the dominant architect and provider of public services. This often results in 'top-down', producer- and institution-focussed approaches where the interests of organisations and professional groups come before those of the public.

- Contributions from other sources are under developed. Individuals, communities, businesses, voluntary organisations, social enterprises and charities all have resources and capacities that could be utilised more fully.

Outdated attitudes and approaches

- The philosophy and attitudes underpinning the design and delivery of public services have changed little since the birth of the welfare state. Services are provided to individuals rather than designed for and with them.
- Models of provision fail to empower and enable people and communities sufficiently to achieve positive outcomes in their own lives. Services often impair individual incentives and foster dependencies that create demand.
- A culture of professional dominance in public bodies has made them unresponsive to changing needs and risk-averse about innovation.
- Procurement is often taken forward on a scale that discriminates against smaller providers and person-centred approaches.

Poor transparency and accountability for outcomes

- Accountability for performance is often unclear and useful comparators unavailable due to a lack of data, weakening opportunities for improvement.
- Public services lack the transparency and representation of users' experiences necessary for full and effective accountability to the public. This can make it difficult to sustain popular support, especially for hard choices.

- Public bodies collect insufficient data to meet their equality duties. There is not enough information about either users or non-users of services to make informed assessments about the equity of outcomes.

Short-termism

- Public services find great difficulty in prioritising preventative approaches to reduce long-term future demand. Services often tackle symptoms not causes, leading to 'failure demand' and worsening inequalities.
- Many services maintain dependency and fail to build personal capacity or support independent living – in part, because of the statutory duty of care.
- The political cycle has hampered efforts at long-term reform in the past, even where a broad political consensus for change has existed.

3.6 In summary, we believe that substantial reform of how we deliver our public services is required – both in terms of the general approach taken to the provision of services, and to the wider governance and organisation of public services.

APPROACH TO REFORM

3.7 The need for reform is now urgent. If it is not substantially achieved in this Parliament, the chance to fashion an effective, sustainable and valued form of delivering public services for the future may be lost. We cannot allow the obstacles that have hampered reform in the past to thwart the action that is now required.

3.8 It is our view as a Commission that there is a way forward available to Scotland's public services to enable us to achieve this goal. The positive vision of effective, sustainable and valued public services set out in the remit given to this Commission is achievable.

3.9 In our view, it is essential to the future success of Scotland's public services that all stakeholders now work together in an urgent, sustained and coherent programme of reform of how Scotland delivers public services. Outcome-focussed transformation requires strong leadership, the resources of all stakeholders and a reasoned understanding of how outcomes are achieved. The design of roles and structures should be founded on this principle – in other words, form should follow function.

3.10 Our evidence demonstrates the need for public services to become outcome-focussed, integrated and collaborative. They must become transparent, community-driven and designed around users' needs. They should focus on prevention and early intervention. Therefore, we believe reform objectives involve:

Engagement, empowerment and enablement

This means:

- That public service organisations engage with people and communities directly, acknowledging their ultimate authority in the interests of fairness and legitimacy.
- That they work more closely with individuals and communities to understand their circumstances, needs and aspirations and enhance self-reliance and community resilience.

- That they mobilise a wider range of Scotland's talents and resources in response to society's needs.

Better coordination and integration

- Fragmentation and complexity in the design of public services must be tackled by improving coherence, collaboration and integrated service provision between agencies.

Reduction in persistent problems and demand

- All public services need to reduce demand in the system through prevention and early intervention to tackle the root causes of problems and negative outcomes.
- This means tackling persistent problems of social and economic inequality and inter-generational cycles of deprivation and disadvantage.

Performance improvement and transparency

- Public services must improve transparency and accountability focussing strongly on value for money and positive outcomes for individuals and communities.
- Governance and accountability must be simplified, streamlined and coordinated emphasising the assessment of costs and performance.
- Services must be open to independent oversight and challenge, including benchmarked comparisons, and state clearly how they are improving outcomes and efficiency.

CONCLUSION

3.11 Based on all of the above, we have identified **four key objectives** which must shape a programme of reform.

The **key objectives** of the reform programme must be to ensure that:

- public services are **built around people and communities**, their needs, aspirations, capacities and skills, and work to build up their autonomy and resilience;
- public service organisations **work together effectively to achieve outcomes**;
- public service organisations **prioritise prevention, reducing inequalities and promoting equality**; and
- all public services constantly seek to **improve performance and reduce costs**, and are open, transparent and accountable.

3.12 In the following chapters, we discuss each of these four key objectives in turn, and make a number of specific recommendations for reform that we consider essential to their achievement.

4. SERVICES BUILT AROUND PEOPLE AND COMMUNITIES



A first key objective of reform should be to ensure that our public services are **built around people and communities**, their needs, aspirations, capacities and skills, and work to build up their autonomy and resilience.

INTRODUCTION

4.1 In our work as a Commission and in our individual experience, we are aware of positive approaches already being pursued that we believe point the way to the future delivery of public services.

Positive approaches

4.2 These approaches reflect some or all of the following features:

- they are grounded in people's lives – helping them contribute socially and economically and to be who they want to be;
- communities and services work together to decide what needs to be done, and how it is going to be done – so that services fit people's needs, rather than the other way round;
- best use is made of all the resources available, building the capacity of all those involved;
- they take a long-term view, anticipating and preventing problems wherever possible – saving human and financial costs over the longer term;
- front-line staff seek solutions actively with a 'can-do' attitude, empowered by managers and leaders; and
- the essential authority of people and their communities is acknowledged.

4.3 We believe that building services around people and communities should be a key objective of the reform of public services.

4.4 Research evidence¹⁰ and our submissions suggest strongly that our public services can become more efficient and effective in working collaboratively to achieve outcomes. To do this, they must focus clearly on: the actual needs of people; energising and empowering communities and public service workers to find innovative solutions; and building personal and community capacity, resilience and autonomy.

4.5 Positive approaches must involve everyone – service users, service providers, professionals, public sector organisations, political leaders and their constituents. Our evidence demonstrates that most people want the removal of barriers, allowing all available resources to be brought to the table. We recognise this will be challenging but it is clear that there are very real possibilities of making a difference.

4.6 Rather than treating symptoms, these approaches demonstrate it is possible to treat the root and long-term causes of problems, driving demand out of the system. They can also promote greater transparency, allowing people and communities to see that services are fair and legitimate. And, they advance the development of strategic relationships

¹⁰ For example, see (i) *Co-production: A Series of Commissioned Reports*, Barker A, 2011 (ii) *Variations in Healthcare: the good, the bad and the inexplicable*, Appleby J, Raleigh V, Frosini F, Bevan G, Gao H & Slay J. The Kings Fund, 2011; *Right Here, Right Now: Taking Co-Production into the Mainstream*, Boyle D, Coote A, Sherwood C & Slay J, NESTA 2010.

between the communities, sectors and organisations involved, based on trust and mutual respect at all levels, from front-line staff and service users to the most senior leaders.

People's needs are better met when they are involved in an equal and reciprocal relationship with professionals and others, working together to get things done.

NESTA/National Economic Foundation,
Right Here, Right Now

4.7 We recommend that, in developing new patterns of service provision, public service organisations should increasingly develop and adopt positive approaches which build services around people and communities, their needs, aspirations, capacities and skills, and work to build up their autonomy and resilience.

POSITIVE APPROACHES IN ACTION

4.8 Positive approaches are already being taken forward in Scotland at a local level under a variety of names, perhaps best expressed as asset-based approaches. They counter the more traditional philosophy where people are treated as passive recipients of services rather than active agents in their own lives. In short, these approaches do things for and with people rather than to them.

Asset approaches recognise that individuals and communities are part of the solution, work with people rather than viewing them as passive recipients of services, and empower people to control their future.

Long Term Conditions Alliance Scotland

4.9 These positive approaches get better outcomes by bringing together the assets and skills of everyone involved to identify the best solutions. In that sense, they are also about developing new relationships between services and the public. It need not mean dismantling mainstream services, but rather transforming them to focus on helping people to achieve their full potential, and developing new models which allow individuals and communities to take the lead where this will achieve better outcomes.

4.10 They are about a society where people can take part in deciding how public services should support them, their families and their communities, and where they are enabled and empowered to have full and fulfilling lives. They are about recognising and respecting people's right to control of their own lives, the part they play in the lives of others, and working to help them maximise both.

4.11 These approaches place the focus of service delivery firmly on responding to human diversity and richness, rather than asking individuals to negotiate an increasingly complex and self-sustaining system. We believe that these approaches are applicable to a broad range of public services, though their form will vary depending on the nature of the service being delivered and the desired outcome. While we recognise that these approaches will not be relevant in all circumstances, it is nevertheless the case that understanding the needs of service users is essential to deliver an effective service.

SERVICES BUILT AROUND INDIVIDUALS AND FAMILIES

Research in 2010 by Alzheimer Scotland demonstrated that, when empowered to direct their own support, families effectively combine state resources around their own natural supports to create truly personalised support.

Alzheimer Scotland

Personalisation

4.12 One aspect of the asset-based approach is personalisation. This term is used to describe user-led collaboration which focusses services on individuals, their needs and aspirations. There is growing evidence¹¹ that personalisation is effective in meeting service users' needs more directly, through peer support and access to high quality information and advice. This is most developed in the areas of health and social care, although the principles can be applied to varying degrees elsewhere.

4.13 The Independent Living Movement has been advocating this approach for disabled people for some time, and Pam's story illustrates just how this can work in practice.

Pam's story (Independent Living in Scotland)

– With flexible and personalised community care support Pam has realised her dream of studying at university and is now employed, an active citizen representing disabled people and active in politics. Until she left home, her parents provided her care. However, at university Pam relied on community care to meet her basic daily needs, but she was not originally central to the design of this care. She had to continually challenge providers to deliver services in ways that met her needs to study, work and have a social life – what student wants to be “put to bed at 9pm?”. With support, Pam is able to make a full and valuable contribution to the wider community, although there are still barriers: Pam cannot afford to work full time because of rules about benefits.

Independent living means disabled people of all ages having the same freedom, choice, dignity and control as other citizens at home, at work and in the community. It does not mean living by yourself or fending for yourself. It means rights to practical assistance and support to participate in society and live an ordinary life.

Independent Living in Scotland

4.14 Pam's story illustrates the positive outcomes that can result from delivering services that enable people to be all they can be, although she had to fight hard to have her voice heard. Research suggests that this approach can be more cost effective and efficient, compared to traditional approaches where people are fitted into services rather than the other way round.

¹¹ For example see: (i) *Personalisation in the Reform of Social Care: Key Messages*, Equality and Human Rights Commission 2010; (ii) *Reshaping Services*, Elder-Woodward, J in *Holyrood Magazine Supplement* 28 March 2011, 9-10 (iii) *The IBSEN Project: National Evaluation of the Individual Budgets Pilot programme: Summary Report*, 2008.

Self-directed support

4.15 We have also heard evidence about self-directed support as a mechanism for making personalisation work. This is where an individual is given personal control over a budget, from which services are purchased.

4.16 In March 2009, the Scottish Government, NHSScotland and LTCAS launched the Self-Management Fund to explore how self-management might work in future. This approach has been developed by the Scottish Government/COSLA in the national strategy on self-directed support¹² and the draft Self-Directed Support Bill issued for consultation by the Scottish Government in December 2010.

The Self Management Fund for Scotland is demonstrating that even a small investment in asset based approaches can produce a significant outcome in terms of quality of life for individuals, capacity building for people and communities, and reductions in the pressure on public services.

Long Term Conditions Alliance in Scotland

A recent report by the Kings Fund describes evidence that self management can have an impact on reducing the need for health care services. In one study self management education for people with COPD (Chronic Obstructive Pulmonary Disease) was found to not only produce improved quality of life and reduction of symptoms, but also to reduce the risk of at least one hospital admission by 36%. Another study found that asthma education for children, their parents, or both reduced the risk of further hospital admissions by 21%.

Long Term Conditions Alliance in Scotland

4.17 A pilot project in Glasgow has been exploring how self-directed support can be taken forward in practice, and the following example illustrates the benefits of a system that is designed to collaborate with the service user.

Alan's story (from ENABLE) – Alan has been on a long journey which has led to receiving his individual budget and finding personalised services which work for him. Alan left Lennox Castle at 32 years old; he had been living there since he was 6 years old. Since leaving the institution Alan attended a day centre for many years. He also lived in shared accommodation. He didn't enjoy going to the day centre, it was not his choice to go there. When Alan was introduced to the East Glasgow Personalisation Pilot, he asked his support team and some friends to help him think about the kind of life he would like. Friends are very important to Alan. Spending time with old ones and having the chance to meet new ones. His team helped him to think about the different ways he could spend his individual budget that would allow him to do this. It was a challenge for Alan at first, thinking about how he could use his individual budget because he had never had that type of freedom before. He realised that he could combine some of his budget with those of his friends' to allow them to do things together. His individual budget puts Alan in the driving seat and surrounded by great friends he is now living the life he has always wanted.

4.18 We believe that there is scope for further development of self-directed support, particularly in considering how funds interact with other welfare, health and social care budgets that may be available to an individual.

A woman approached her social worker saying that she needed a wheelchair to get around and a ramp to get out of her house. Instead, she was offered a package of home care. This was because her social worker could not access other budgets to offer the wheelchair or the ramp. The budgets to do so were not part of a shared resource for health and community care.

Independent Living in Scotland

¹² Self-directed support: A National Strategy for Scotland, Scottish Government/COSLA (2010) <http://www.scotland.gov.uk/Publications/2010/02/05133942/0>

4.19 Evidence indicates that self-directed support programmes for long-term health conditions can reduce visits to GPs by up to 69 per cent, reduce hospital admissions by up to 50 per cent and more than pay for themselves through savings (*Self Care Support: The Evidence Pack*, Department of Health, 2007). We are aware, however, other options must remain available as this support is not appropriate for some services (e.g. acute health care) and some individuals.

4.20 Take-up of current opportunities for self-directed support has been low and action is needed to build capacity and awareness to encourage broader participation. The Commission supports the wider principle of individuals having a greater say in how public resources are used, and how services are provided; and we see the development of the personalisation approach as an important mechanism for achieving outcomes.

SERVICES BUILT AROUND COMMUNITIES

4.21 In considering the future delivery of public services, we have focussed on the importance of the 'community'. By this, we mean the myriad of overlapping ways in which people come together through a common set of needs, both as communities of place and communities of interest.

4.22 Place-based communities could be a street, neighbourhood, housing estate, village or small town – in fact, any geographically-defined area with which people identify. There are also multiple and overlapping communities within any one area, which will emerge through a focus on outcomes.

4.23 Interest-based communities, on the other hand, define people who come together through a shared need, interest, experience or concern. These can be national organisations, such as the Scottish Social Enterprise Coalition and the Scottish Association for Mental Health, or geographically-based – for example the Inverness Dementia Group or YouthBorders.

4.24 Communities are diverse and different viewpoints are central to their makeup. We know that people will belong to several different communities, and that they reflect a huge diversity of interests and needs. They can offer a system of support, providing information and advocacy and making a contribution to the development of national and local policy and practice. They can also bring knowledge and expertise to the pursuit of local and regionally based solutions. This includes the third sector organisations which have, over time, expanded to take on a more active role in delivering services directly.

4.25 In gathering our evidence we have heard of many different communities working with public services to meet their specific needs. The following case studies have been selected to illustrate the benefits of working with service users at a community level to decide what will work for them. They also highlight that very little can be addressed in isolation from other interrelated issues.

The **West Glasgow Grandparent Carers Support Group** has around 30 members caring for approximately 50 children whose parents are unable to do so for a variety of reasons, including bereavement and placement by social work services. Community development workers from the then West Glasgow Community Health and Care Partnership (CHCP) supported members to plan and put into practice social, respite and campaigning activities. The increased skills and confidence gained by members mean that it is less likely that they will need the involvement of a foster carer.

This results in a much more effective service, delivering successful outcomes that brings wider benefits beyond the individuals and families concerned. It is also more efficient – there is roughly a £500 differential per week between costs for kinship carers and foster carers. A conservative estimate would be that if kinship carers in the four support groups around Glasgow keep 50 children from being fostered, albeit at considerable cost to the carers, this would save Glasgow City Council around £1.5 million per year.

Lanarkshire Recovery Consortium (LaRC), Hamilton – We met with this third sector group during our visit to Hamilton. They recognise that the first two years of recovery from addiction are critical to sustainable long term recovery, and help service attendees rebuild their lives and prepare for employment. They focus on the individual, using a strengths-based approach which enables the development of recovery capital. LaRC volunteers have direct experience of drug or alcohol problems and provide peer-support, advice and advocacy to help recovering addicts make sense of the complex world of public services. LaRC emerged because people who had direct experience of the system saw how they could make a difference, by providing a service based on what people who are recovering from addiction need to sustain their recovery. This extends to families and carers of people with addiction problems who have so much to contribute to the development and provision of existing services. If we can improve how public services work, we have more chance of meeting the desired outcome of reducing the number of people suffering from addiction.

4.26 This example highlights the need to ensure that, in taking these approaches forward, carers are supported so that they can help to deliver the best possible outcome.

4.27 The following examples illustrate what can be done when local authorities work closely with users to design services that help people to help themselves.

Perth and Kinross Healthy Communities

Collaborative – In 2005, Perth and Kinross Council established a health promotion project, enlisting local older people from communities to lead. The initial topic focused on initiatives aimed at reducing falls in the over-65s, with the added benefits of strengthening communities and encouraging statutory agencies to work in collaboration with local people. Recruited volunteers attended learning workshops which gave them the knowledge and skills to take the work forward. In 2008, the volunteers elected to broaden the topic focus to include mental health and well-being in later life, addressing issues of loneliness, isolation and social exclusion, and promoting healthy active ageing.

The project has also created community and social networks for people, many of whom had previously been isolated. One participant noted: *"It's we older people ourselves who choose what we do in our own communities. Nothing is imposed on us. We are also the volunteers – we want to help ourselves."* Another participant, who is getting help with exercise to strengthen her bones after a fall which took her to hospital, said: *"The big thing for me is the encouragement I get from everyone at the lunch club, the meetings and especially the exercise classes. We manage to have a good laugh and I have certainly made some new friends. My husband and I attend all the coffee mornings also, so we are never weary."*

The Bridges Programme, Shetland – About 10 per cent of the 300 Shetland school leavers each year struggle to follow a path into further education, employment or training. Bridges is run by Shetland Council through a separate building which has a very relaxed and welcoming feel and offers an alternative learning programme for young people aged 15-19 years. The small team of support workers recognise that whilst young people may have particular needs – for example around self esteem, behaviours and interactions with others – their aspiration for making the most of their potential is no different from any other young person. They concentrate on the individual person as an asset and help them gain the confidence to decide their own future, while also building core skills and relationships.

4.28 The Bridges Programme has been a very successful alternative to the 'one size fits all' approach, affirming value in young people and enabling resources to be used more positively and effectively. Similarly, the Home Care Re-ablement project has focussed on building confidence in older people:

City of Edinburgh Council introduced the **Home Care Re-ablement Service** with the aim of actively helping older people to regain life skills and maintain as independent a life as possible. The concept is based upon a focussed and intensive six-week period of support, in some cases following hospitalisation, to maximise capability, dignity and independence. The service was re-designed by working with users, carers and others to enhance independence and deliver better outcomes, while also building user confidence.

The scale of the changes that have been made is significant. Over 12,000 people have been referred to the Home Care Re-ablement service since April 2009 and 15,000 hours per week of care have been freed up to meet increased numbers of older people and complexity of people's needs. The balance of care has continued to improve through the increase in the numbers of older adults receiving intensive levels of support at home. In 2002, 14 per cent of older adults received intensive levels of support at home. In March 2011, this figure was 29 per cent. Building upon efficiencies delivered in 2008-09, further cash-releasing savings of £1.5 million were realised in 2009-10 and additional savings will accrue over the next four years as its coverage is increased.

4.29 Service providers often work in direct partnership with third sector organisations who have skills and expertise that mean they are able to recognise the very specific needs of individuals and work with them to achieve a positive outcome. For example:

The **Homelessness Prevention Service (HPS)** run by the **Edinburgh Cyrenians** is funded in partnership with City of Edinburgh Council and is designed specifically to prevent people from presenting as homeless by either keeping their current housing, or moving on to an alternative home in a planned way. In 2010-11 the service worked with 376 people at imminent risk of homelessness. Of these, 374 had not presented to other homelessness services six months later, and 373 after 12 months.

Research on 50 clients of the HPS by Cyrenians showed that employment rose (11 people moved into employment); rent arrears dropped (from a total of £24,424 to £5,811) and the number of people in rent arrears fell from 29 to 11. Housing arrangements became more stable for almost every client. Mental health levels also improved – 36 per cent who started with the HPS were struggling to cope, by the end this had dropped to 8 per cent. Becoming homeless is a major personal crisis and is often a trigger for and linked to other problems such as unemployment, family breakdown and mental health problems. Supporting people to keep their home makes a major impact on individuals and their families, public services and the wider community.

4.30 The examples outlined above demonstrate that collaboration between individuals, communities and service providers can become important multi-dimensional partnerships, generating wider benefits and building individual and community capacity. In considering what defines a particular community, it is essential that public service organisations build relationships with groups and individuals, reaching out to include those people who are usually isolated and excluded, rather than designing and imposing community boundaries to suit their own service delivery.

Services built around communities of place

4.31 Place-based community groups take a number of different forms – principally those actively involved in decision-making on service delivery with mainstream providers and those taking independent action. Some emerge autonomously, while others are the direct result of development support.

4.32 Some local authorities and health boards have already taken steps to increase the community participation in the management of services, through establishing local area networks and establishing formal links with communities to proactively involve them in local decision-making. For example, the Aberdeenshire Community Planning Partnership has created six area groups to take communication and decision-making to another level.

The Marr Community Planning Group – brings together representatives from the community and from the Aberdeenshire Community Planning Partners. The group aims to identify the needs of communities in the Marr area and work together either to address these, or to support people in dealing with them. Over 50 per cent of the membership of the Marr Community Planning Group are community representatives. A community plan has been agreed for 2010-14. Achievements over the last few years include: a new graveyard in Finzean, which was built by the community with support from Aberdeenshire Council; the new NHS Grampian dental facility in Huntly; and the community management of Braemar Castle with support from the Cairngorms National Park Authority and the Council. The relationships established through the group also enabled, during severe winter conditions, the use of a four wheel drive vehicle from Forest Enterprise to allow vulnerable people to be visited or to get to hospital appointments.

4.33 We have also received evidence on the value and strength of independent community action, and have been particularly impressed with the recent expansion of community development trusts, which are enabling communities to make their own plans and aspirations a reality. These organisations are about local people deciding what is important to them, and then taking action. The following examples illustrate the breadth of issues that concern local communities, and demonstrate that a significant difference can be made.

The **Renton Community Development Trust** was established in 2003 in response to local demand to explore opportunities for improving the development of the community. It employs 22 people and currently delivers a range of services to elderly people in the Vale of Leven area. It has taken over a council community centre, establishing 'Ma Centre', a local youth centre run by teenagers with a café and access to sport facilities. The Trust is currently in the process of buying a nursery from West Dunbartonshire Council which will help 20 pre-school children. They have set up trading subsidiaries and also run another centre with a lunch club, youth club, radio hams and meeting space for any community groups that require it. This centre has a restaurant, conference facilities and a small theatre. The Trust is now 'the glue' that binds local organisations and partnerships together, and is looking to work with neighbouring communities and to restore a community woodland.

The **Rosneath Peninsula West Community Development Trust** was set up with the blessing of the local community council in April 2010. It has a 15-strong directorate, who employed experts to help them develop an action plan. This involved wide consultation with 1,268 residents, 59 community groups, youth and business interests, to identify priorities (covering transport, health and welfare, the physical environment, employment and tourism, community and recreation and business and housing). This was followed by a community event where residents had the opportunity to learn about, and offer opinions on, some 18 initial project ideas. Research showed how the selected projects might be financed and a feasibility study into developing renewable energy has been undertaken, funded by a Climate Challenge Fund grant. The results of the study will be available in 2012 when there will be further discussion and consultation. The exercise has built up local confidence, partnerships and entrepreneurial spirit and additional sub-groups have been established for priority areas.

4.34 We believe strongly that all public service organisations should recognise the value that local groups can bring, both in terms of the services that are provided, and the community cohesion that results. Relying solely on public sector organisations to provide all local services constrains innovation and creates unhelpful boundaries, and the context for any decision must be finding the best means to achieve shared outcomes.

COMMUNITY EMPOWERMENT

4.35 The case studies illustrate just what communities can deliver when they have the opportunity. They also illustrate two very important roles – first, that of independent action where groups of people can make a difference in areas that they choose and, second, providing a vehicle through which they can collaborate effectively with public service providers.

4.36 Public services are most effective, and provide best value for money, when users have a pivotal role in designing and evaluating them. Evidence indicates that better, more sustainable outcomes and higher levels of satisfaction for users and staff also result.¹³ Regardless of what brings communities together, they not only work towards the desired outcome, but the process itself increases community cohesion. Strong communities have good social networks and contacts which may not be so developed in those which are disadvantaged and deprived.

The challenge is to work with communities, not to find out what they want and then provide it, but to enable them to take control and provide their own solutions. Communities need to be involved in the delivery of services, behaviour change initiatives and solutions, as well as in their design.

Tayside Health Board

...we are pleased that the Commission seeks to address how public services can be more participative, prevention oriented, outcome focused and equality driven. The SCDC believes that this vision can be achieved by building on existing community engagement through increased community capacity building to give people the skills and confidence required to participate in service design, delivery and evaluation. This will put Scotland in a better position to take forward a 'co-production' approach to public services.

Scottish Community Development Centre

Community development is an active process, which occurs when somebody intervenes to help people to achieve new things. It is an approach to achieving social change, based on the idea that disadvantage and social injustice cannot be tackled by top-down solutions alone. It involves changing the relationships between ordinary people and the institutions that hold power.

Community Development Alliance Scotland

4.37 It is vital that communities are able to engage effectively with public services in setting priorities and designing services. We recognise that communities themselves must decide the level of empowerment that they want and how to achieve it. Empowerment cannot be imposed and some communities may be more interested in taking action than others.

13 i) *Collective Co-Production: Working Together to Improve Public Services*, Griffiths S & Foley B, Local Authorities and Research Council Initiative 2009; (ii) *Working in neighbourhoods in Bradford: An Interim Summary of Findings from the Working in Neighbourhoods Project*, Richardson L, Joseph Rowntree Foundation 2011.

4.38 With support to build the appropriate skills, confidence, networks and resources, communities can be given the opportunity to take the action that they want. Better organised communities have already demonstrated what can be done, and we believe that every community has the capacity to participate. However, those facing multiple social and economic challenges, particularly in terms of deprivation, may require extra support to help them release their potential. Capacity building guidance has been produced, but we believe it is now imperative for a step-change in the number, and nature, of communities who are able to participate.

4.39 In [Chapter 6](#) we will explore further inequality issues. Careful attention must be paid to equalities and inclusion when developing strategies for community empowerment to ensure that it is not just the 'trained voice' which is heard, but that all members of a community are able and encouraged to participate and contribute.

4.40 We believe that it is essential to the future delivery of public services that communities are empowered. We note the wider political consensus for more local community control, and the proposal for a Community Empowerment and Renewal Bill in the new Parliament, giving powers to communities to take over under-used public assets for their benefit. While we recognise that the acquisition of assets can be a catalyst for community development, we believe that a new Bill must include a more comprehensive incentive to community empowerment.

4.41 **We recommend that in developing proposals for a Community Empowerment and Renewal Bill the Scottish Government explores the potential of the Bill to promote:**

- significantly improved community participation in the design and delivery of public services; and
- action to build community capacity, recognising the particular needs of communities facing multiple social and economic challenges.

WORKFORCE, MANAGEMENT AND LEADERSHIP

4.42 The approaches outlined above present challenges, but also significant opportunities to public service organisations, and their staff. Implementation is dependent on the public service workforce at all levels. Staff are key and their contribution must be central in the proposed transformation of service delivery. They will need support from management, where they are empowered to take responsibility for the continuous improvement of services. This requires organisational leaders who establish priorities based on a clear understanding of shared outcomes and actively encourage a 'can-do' culture.

4.43 More specifically, the wider adoption of these approaches would provide opportunities for public service staff to:

- optimise skills, knowledge and expertise, and be supported in further development;
- reconnect with the purpose of their work; and
- express a strengthened public service 'ethos', based on enabling, empowering and improving the lives of people and communities.

Empowering staff

4.44 International and cross-sectoral research shows that workers value respect for their knowledge and experience, involvement in designing and improving their own job and fairness. Staff also place a high premium on being valued for what they do, and trusted and empowered to do a good job. These factors, along with shared purpose and leadership, are all major drivers of job satisfaction and engagement.¹⁴

4.45 Our evidence shows public service workers are generally held in high esteem. We appreciate that they want to provide the best services they can; to make a real difference. Personal relationships are critical in driving outcomes, trust and satisfaction with services. The case studies outlined above illustrate that many public service staff are already working with people and communities to bring real improvements in their lives. However, there is compelling evidence that many staff feel their skills and knowledge are not being fully used, and that their levels of autonomy are diminishing. How they go about their day to day work can either empower and enrich lives, or treat people as problems, or as passive recipients.

4.46 We believe that front-line staff, along with people and communities are best placed to identify how to make things work better. It is critical that managers at all levels support staff in empowering users and communities, and to give fresh meaning to their own work. This approach requires a flexibility in service provision that may present challenges to staff in terms of how and when they work and will require a focus on new skills and capabilities – on mentoring, coaching and on support.

4.47 Engaging staff in the design of services is reflected in the concept of systems thinking. In this approach service providers study demand to find out what works for users. Systems are designed against that demand and improvements achieved by managing demand and flow. The cost of a service is in flow, not transaction. Failure demand represents poorly designed flow which organisations can control. Studies show that as much as 80 per cent of transactions handled in traditional call centres relate to failure demand.

The systems approach to designing the housing benefits service teaches that sharing back offices will lead to high costs and poor service; having a back office itself is a design mistake. Housing benefits is best designed as a front-office service. Whenever people turn up to get the service, they should be met by someone who can help them through it. As soon as you create a split between front and back office, you also create waste. To do the same on a larger scale is to mass produce it.

**Systems Thinking in the Public Sector –
John Seddon**

4.48 We recognise this is a difficult time for the public service workforce, dominated by uncertainty about the impact of change, combined with wage restraint and pressure on terms and conditions. If we are to secure a sustainable future for public service delivery in Scotland at this time, respecting staff and improving their experience of work is essential. Research clearly shows that employee engagement drives innovation and business

¹⁴ For example: (i) *Engaged Staff: What Do They Look Like And Why Might You Want Them?* Lawson E, The Good Work Commission 2009; (ii) *Next Generation HR: Time for Change – Towards a Next Generation of HR*, Seers E, CIPD 2010; (iii) *Leadership in The Public Sector in Scotland* (ESRC Seminar Series: Mapping the Public Policy Landscape) 2009.

improvement, which is, in turn, driven by individual staff doing work that is understandable, manageable and meaningful. Evidence also shows that efficiency rises in these circumstances. There is a temptation when budgets are constrained to limit investment in training and professional development. However, we believe strongly that the necessary ground shift in public service delivery will only be successful if staff feel empowered, trusted and supported to make the necessary changes.

4.49 Leaders alone cannot provide meaning for the workforce but in helping to clarify the purpose of the organisation, they can help employees renew their own sense of purpose. Involving staff in designing their own role in providing an appropriate service and meeting organisational outcomes is a powerful way to improve their work experience and deliver organisational benefits.

Employee engagement will be a major challenge for any public sector leader in the next five years; not just as a feature of the future effective organisation, but as an enabler of change in transforming the way in which organisations work.

Investors in People Scotland

At the heart of this concept is the view that providers and users should be consulted and empowered in the design and delivery of services. In particular there is a vision of empowered and active citizens working alongside paid public servants to create additionality which offers genuine opportunity for change but which runs contrary to budget cutting, centralisation and privatisation.

Scottish Trades Union Congress (STUC)

4.50 The objective of public services must be to provide a positive and creative environment for the workforce, which will require a substantial shift in attitude within many existing organisations.

4.51 We recommend that managers and leaders within public service organisations develop and extend empowerment of front-line staff to support their engagement with people and communities to improve service provision.

Public service ethos

4.52 We believe that the approaches set out earlier in this chapter can and should be the foundation of a renewed 'ethos' within the public service workforce. By this, we mean the beliefs and motivations of people who are contributing to public services, of whatever kind. What defines this ethos must be:

- a respect for the autonomy and potential of the people and communities of Scotland, and the ambition to help maximise both;
- the ambition to improve the lives and opportunities of the people and communities of Scotland, and a commitment to work with them to achieve their aspirations; and
- a commitment to get maximum value and impact for public resources, and to account openly to the public for what is done in their name.

4.53 These elements stand alongside the established principles and standards of public life, including integrity, honesty and openness and are the counterpart to what we believe to be a wider public service ethos, as discussed elsewhere in this report.

Training and development

4.54 Repeatedly, staff we met asked to be allowed to function as 'public service workers' – wanting to operate in an integrated system of public services without the constraints of organisational boundaries. We strongly believe that traditional professional and sectoral boundaries are restrictive. Delivery of services will benefit from loosening them through building strategic relationships between people and organisations who share common outcomes.

4.55 The development of the public service workforce must support the reform programme. We recognise that steps have been taken to increase collaboration on leadership and training programmes by Scottish Government and its partners. This must now be a strategic priority.

4.56 We recommend that the Scottish Government, local government and relevant organisations develop a systematic and coordinated approach to workforce development and, in particular, should:

- consider how the educational and development infrastructure across the different elements of the public service could be better coordinated;
- bring together leadership and management development into a single cross public service development programme;
- develop a competency framework to apply to all public service workers which focusses on the skills required for delivering outcomes in collaboration with delivery partners and service users; and
- ensure inter-disciplinary training and development modules are included in all professional training for public service.

5. WORKING TOGETHER TO ACHIEVE OUTCOMES



A second key objective of reform should be to ensure that **public service organisations work together effectively to achieve outcomes** – specifically, by delivering integrated services which help to secure improvements in the quality of life, and the social and economic wellbeing, of the people and communities of Scotland.

INTRODUCTION

5.1 The previous chapter set out a picture of people, communities and services collaborating to achieve positive outcomes. This chapter looks at the related question of how public service organisations can best work together to achieve outcomes.

5.2 In recent years there have been efforts to encourage an ‘outcomes-based approach’ among public service organisations, including the Scottish Government’s introduction of the National Performance Framework in 2007. Our evidence suggests, however, that the wider system of governance and organisation of public services still does not fully embrace this approach.

5.3 Our evidence also suggests that reforms are available that should drive a stronger focus on working together for the common good. It seems obvious to say that different public services should work together to focus on the achievement of outcomes – positive outcomes in people’s lives. But we know, in practice, there are barriers to achieving this simple goal:

- different accountability frameworks (statutory duties, audit and inspection) often pull organisations in different directions;
- performance management processes are generally expressed in terms of inputs and outputs (activities and service standards) rather than outcomes;

- different arrangements for funding, budgeting and accounting for the use of resources act as a constraint to joint activity;
- established ways of working often do not make the most positive impact on outcomes;
- services may not know enough about the outcomes most valued by people and communities; and
- a narrow or short-term focus on the objectives of particular organisations acts against the adoption of preventative initiatives.

5.4 A key objective of public service reform should be to ensure that public services are enabled and incentivised to work together effectively to achieve outcomes. Specifically, they should deliver integrated services helping to secure improvements in the quality of life, and the social and economic wellbeing, of Scotland’s people and communities.

WORKING IN PARTNERSHIP

5.5 What has long been identified as a key issue is that at a reasonably local level, the relevant public service organisations should be able to come together to work in partnership, to design and deliver an integrated pattern of service provision for the area. In doing so, they should involve fully the local public and communities (as discussed in [Chapter 4](#)), along with other stakeholders including the third and private sectors.

Box 5.1 – Operation Focus, West Lothian Community Planning Partnership

Operation Focus brought together a wide range of public bodies in West Lothian to collectively tackle drugs and community safety. These partners worked together for several weeks to plan the operation which combined police enforcement with community engagement and prevention activity. Housing was on site to repair and make properties secure while social work provided immediate support to families, including children whose parents had been arrested. Community police officers explained what was happening and sought community support for tackling drugs. NHS services gave support to drug users unable to access their drugs, preventing them from reaching crisis point. Neighbourhood Environment Teams cleaned up the areas, removing graffiti and over 53 tonnes of rubbish, so that the community looked better.

A total of 63 people were arrested in communities across West Lothian over a five day period. The overall message from the wider community was positive and supportive – local people were part of the solution, not the problem. Operation Focus worked because it brought agency staff together around a shared problem, with all having a good reason to work together, and making a significant difference to the community.

5.6 This integrated approach is vital to the achievement of outcomes for people and communities. Because many services are organised at a local authority level, and because of the democratic accountability of elected councillors, the local authority area level has been identified as the appropriate level for partnership working of this kind.

This collective response is the key to success: a seamless integration of public services, regardless of structures and boundaries, which maximises professional experience and expertise to the benefit of clients.

Perth and Kinross Council

5.7 The main vehicle for local partnership between public bodies has been 'community planning', as defined in the Local Government (Scotland) Act 2003, operating in each of Scotland's 32 local authority areas. The Act places duties on:

- local authorities – to initiate, facilitate and maintain community planning, including consulting and cooperating with communities;
- core partners – health boards, the enterprise networks, police, fire and regional transport partnerships – to participate in community planning; and
- Scottish Ministers – to promote and encourage community planning.

5.8 In 2007, the Scottish Government and Scottish local authorities (through COSLA) agreed a Concordat covering various aspects of the relationship between national and local government. Central to this relationship has been the development, for each local authority area, of a single outcome agreement (SOA), which set out priority 'local outcomes' for the area, agreed between local partners and the Scottish Government. The SOAs

are intended to focus work within and between local partner organisations to develop service strategies and delivery plans for that area.

5.9 The agreed local outcomes should reflect the 'national outcomes' set out in the Scottish Government's National Performance Framework (NPF). The arrangements are also intended to express the accountability of the Scottish Government and local government to the public and to each other for their contribution to the achievement of the local outcomes.

5.10 The Commission heard a consistent view that the potential benefits of a local partnership approach are far from being fully realised; that there are significant variations in the effectiveness of community planning partnerships; and that, for the most part, the process of community planning has focussed on the relationships between organisations, rather than with communities.

The public sector needs to continue to develop collaboration and joint-working to deliver more efficient and user-focussed services. The key issue is that councils cannot on their own deliver the kind of radical change to service provision that is needed.

**Audit Scotland,
An overview of local government in Scotland 2010**

5.11 As a Commission we agree that effective, locally integrated service provision is crucial to the achievement of outcomes, and that local authority-area level partnership is crucial to the development of that integrated service provision. The continued development of local partnership arrangements should therefore be a key element of the public service reform process.

5.12 A primary purpose of each partnership should be to develop consistent and coherent plans for the achievement of agreed outcomes, in particular around the integration of service provision.

5.13 Given its key role in the governance of a number of the local partners, most notably health boards, it is critical that the Scottish Government plays a full and active part in the operation of local partnership arrangements in each part of Scotland, and in particular in the integration of service provision. The Scottish Government should also support and incentivise the integration of service provision, for example, through a 'change fund' scheme (as recommended below).

5.14 These arrangements should enable the Scottish Government and the local authority to agree area priorities and hold each other to account for the achievement of outcomes. The Scottish Government should in turn be held accountable by the Scottish Parliament for its contribution to this process.

5.15 These processes should also be extended into local communities to address their specific circumstances. As previously discussed, they should allow for meaningful engagement with people in those communities in the design and delivery of services. These arrangements should be based on more specific, disaggregated information about the needs of those communities, and reflect the wider arrangements for accountability and funding outlined elsewhere in this chapter.

5.16 **The Commission recommends public service organisations should work to extend and deepen a local partnership approach, building on, but going well beyond the current community planning partnership model. In particular, there should be a much stronger focus on engaging with people and communities in partnership processes, including the design and development of a pattern of integrated service provision.**

5.17 **The Commission recommends the current outcomes-based approach be underpinned by a revamped political agreement between national and local government, as currently expressed in the Concordat. It must be a mutual requirement of this agreement that, alongside a single outcome agreement, each community planning partnership develops and agrees with the Scottish Government a clear plan setting out how partner organisations will pursue local service integration to achieve outcomes.**

ENGAGING WITH, AND ACCOUNTING TO, PEOPLE AND COMMUNITIES

5.18 The Commission has seen a number of examples where local partnerships have involved people and communities in their operation effectively. The evidence supports the principle of involving people and communities in the design and delivery of services (discussed in the previous chapter). This should be built into the operation of local partnerships.

5.19 In the majority of cases, the best level at which to engage people and communities in the design and delivery of services will be more local than the local authority-area level. We have heard about positive examples of local authorities developing and supporting arrangements for community engagement at a more

local level (for example, where Aberdeenshire is divided into six areas for the purposes of community engagement). These arrangements should tie in with the development of plans (as outlined above) for the design and delivery of integrated services at a more local level. They should also provide for stronger accountability of all service providers, directly to the public, for their individual and collective contributions to achieving outcomes in those communities.

5.20 Arrangements for direct public accountability provide an opportunity for locally elected members (either of the community council, the local council, or the Scottish or UK parliaments) to play a pivotal role as representatives of, and advocates for, their communities. In the case of members of the local council, this would be alongside but distinct from their formal role in relation to local authority services.

5.21 **The Commission recommends community planning partners should:**

- **ensure people and communities are involved directly in the development of key elements of the local partnership process, such as the development of priority local outcomes within a single outcome agreement;**
- **develop and extend arrangements at a more local level (more local than the local authority area) which facilitate public engagement and participation in shaping priorities, and in the design and delivery of services; and**
- **establish arrangements to enable all parties to a single outcome agreement to account to the public for their contribution to the achievement of outcomes in those areas. Elected representatives should have a pivotal role to play in those arrangements.**

POWERS AND DUTIES

5.22 The mix of powers and duties applying to statutory public service organisations is complex and confusing. Without wishing to increase the statutory burden on organisations, we argue that some form of common powers and duties to achieve outcomes would help ensure a consistent level of service and innovation.

5.23 The National Community Planning Group (NCPG) submission argues that what drives public bodies in practice is what they have a duty to do. As such, NCPG's prime concern is what public bodies are accountable for – and that accountability should be for the achievement of positive outcomes. So the NCPG proposes a suite of powers and duties be applied to statutory public service organisations on a common basis. Their full proposal to amend the statutory framework to this effect is given in Box 5.2 below.

5.24 We agree that introducing a common set of duties and powers, focussed on the common pursuit of outcomes, would be a positive development.

5.25 The Commission recommends that the Scottish Government should work with local government and other partners to devise and put in place an appropriate set of common powers and duties.

5.26 We also recommend assessing the value of existing statutory duties which apply to individual public service organisations, in terms of outcomes.

5.27 We suggest that this work be carried out as part of the rolling programme of service reviews we recommend in Chapter 7.

Box 5.2 – National Community Planning Group Proposals

“Our proposal is to amend the statutory framework, through a set of mutually reinforcing provisions, as follows:

- The power to advance well-being should be extended to all public bodies, so that they may do anything which will promote the well-being of an area and its people, either directly or through support of another public body. This is in line with the Scottish Government / COSLA guidance on governance and accountability and will enable all bodies to take account of and improve all of their impacts upon their communities. (This would not enable a body to do anything which other legislation prevents, or to unreasonably duplicate the legislated functions of another body.)
- The application of the power to advance well-being should be through Community Planning and on the basis of a published area profile – an assessment of the evidence of the social, economic and environmental conditions of the area and its people and of their needs. This will build upon a key strength of the voluntary SOA process, which is its evidence base.
- Community Planning should be defined as a process by which the public services in an area are consulted upon, planned, delivered and reported, on the basis of a published area profile and for the purpose of achieving measurable outcomes for the area and its people. This will help refocus partnership working toward the achievement of outcomes.
- Each public body delivering services within an area should have a duty to participate in Community Planning, as defined, through working with the other public bodies which serve the area. This will help embed partnership working and local integration of services, and will provide a stronger and shared basis for dialogue and co-operation between local public bodies, voluntary and business interests, and the Scottish Government.
- Scottish Ministers should have a duty to ensure that all public bodies within their accountability participate in Community Planning, as defined. This will reinforce the embedding of partnership working.
- The statutory duty of Best Value should be extended to all public bodies and should be defined as continuous improvement in the performance of the body’s functions for the purpose of achieving measurable outcomes for the area/s and people served by that body. This will refocus accountability to focus on the intended results of performance.
- The setting of measurable outcomes by a public body should be on the basis of an assessment of the evidence of the social, economic and environmental conditions of the area/s and people served by the body and of their needs.
- The statutory guidance on Community Planning and Best Value should be revised to reflect the new duties and their purpose.

Finally, the powers and duties of external scrutiny and inspection bodies should be framed so as to focus on the achievement by public bodies of measurable outcomes and on the effectiveness of their partnership working.”

BUDGET AND RESOURCE SHARING

5.28 We have heard repeatedly that budgetary inflexibility can hamper joint working to achieve outcomes. At present, the overwhelming bulk of resources within public services has a strong organisational 'identity', which is hard to shift. Creating a focus on the needs of a particular place or a group of people, rather than the funding streams of individual organisations, can be an effective way to target attention and provide a basis for partnership.

The resource allocations for health and local government services, at a national level, are distributed on a different basis, with limited consideration of the outcomes to be delivered in each locality and the cost of doing so. If public sector reform is to lead to better outcomes across the public sector, then we should also consider a more holistic means of funding public services.

Chartered Institute of Public Finance and Accountancy (CIPFA)

The success of any partnerships often is dependent on the ability of organisations to pool budgets. This remains a challenge for the public sector with many partnerships simply aligning budgets.

Association for Public Service Excellence (APSE)

Age Scotland believes the pooling of budgets could be a catalyst for change in promoting more effective joint planning and delivery of services across the health, social care and housing spectrum if the obvious bureaucratic hurdles can be overcome swiftly.

Age Scotland

5.29 Place-based approaches, such as Total Place,¹⁵ aim to map the totality of public spending (current spending and capital) in an area to illuminate the interactions between local partners and expose any gaps or duplication in service provision from the viewpoint of the citizen. Evidence suggests that a spending analysis of this kind is a useful tool in delivering outcomes and improving value for money.¹⁶ Place-based analysis can also help to weigh the benefits of local partnership against the alternative of structural reorganisation, which is often designed to realise economies of scale by merging units of production.

¹⁵ Total Place is a UK Government initiative launched at Budget 2009, as a key recommendation of the Operational Efficiency Programme.

¹⁶ For example see (i) *Total Place: A Whole Area Approach to Public Services*, HM Treasury (March 2010) http://www.hm-treasury.gov.uk/d/total_place_report.pdf; (ii) *Place-based Approaches and the NHS: Lessons from Total Place. Seminar Highlights* ed. Humphries, R and Gregory, S., The Kings Fund (2010) <http://www.kingsfund.org.uk/publications/articles/placebased.html>; *The Vanguard Approach*, Seddon, J. Evidence to the Scottish Parliament Finance Committee 2010 <http://www.scottish.parliament.uk/s3/committees/Finance/reports-10/fir10-04-vol1.htm>

Box 5.3 – A Place Based Approach to Integrated Working in the Scottish Borders

At a community planning forum in Galashiels in July 2010, Scottish Borders Council and NHS Borders revealed a new place-based model of service redesign. Based upon the Integrated Resource Framework (IRF) from Scotland and the English experience of Total Place, services are being re-designed across the Borders area by area.

Stakeholder involvement is key to this approach and therefore, in addition to ongoing service user consultation, a local event is planned for July 2011 to ensure an opportunity for local people and organisations to express their views and propose ideas which will take the project further.

The first phase of the Cheviot programme, which includes Kelso and Jedburgh areas, aims to ensure that individuals can live safely in the community for longer, thereby reducing the need for hospital care or residential care home. A return on investment of 15 per cent has been agreed as part of the programme design.

In pursuit of this, a range of existing health and care services are being reshaped, to improve outcomes and to release efficiencies, for example:

- the day service has been redesigned with the voluntary sector being funded to provide three rural social centres, realising efficiencies rising to 30 per cent by 2012-13 and helping to boost funding for the Social Centre and Neighbourhood Links;
- planned co-location of the day service into Kelso Hospital will enable the Learning Disability Service to set up a local service and realise further efficiencies; and
- the development of joint management and joint teams across NHS and social care will further enhance opportunities for joint working while also offering the potential to release property costs.

5.30 The Commission shares the commonly expressed view that the focus of budgeting should increasingly move away from institutional silos towards outcomes.

We recommend the Scottish Government and local authorities explore Total Place-type approaches across Scotland.

5.31 More generally, we consider the flexibility which public service organisations have to share resources – for example, for one organisation to fund activity by another – to be critical to their success in achieving shared outcomes. **We recommend that the Scottish Government and local government review jointly the current funding arrangements for public service organisations to increase flexibility.**

5.32 Given its importance to achieving outcomes and reducing cost and demand, we believe there should be significant incentives in place to drive the joining up of services across sectors and organisations at local level. **We therefore recommend the Scottish Government develops and extends the use of funding models which expressly require the integrated provision of services - for example, through a 'change fund' scheme.**

5.33 One specific issue on which public service organisations can and should work closely in partnership is over the use of capital budgets. These budgets are, and will likely remain under significant pressure over the coming years, but it is vital, not least to the economic recovery, that appropriate steps are taken to maintain and improve our capital infrastructure.

5.34 We recommend all relevant public bodies must participate in the preparation of a joint long-term asset management plan under the aegis of each local community planning partnership, based on a shared assessment of the current condition of their assets.

NATIONAL POLICY APPROACHES

5.35 We have observed inconsistencies and tensions between national targets and local outcomes which have constrained local partners' ability to work together. These can stop people and organisations identifying and working towards shared outcomes, keep them and their resources in silos, and miss opportunities to improve local outcomes and efficiency.

The most significant systemic issue is that different local partners face different performance and accountability frameworks. Central requirements, targets and commitments make integrated effort around delivery of local outcomes more difficult.

National Community Planning Group

5.36 Tensions of this kind are to a degree inevitable when any form of target or wider 'requirement' on local service delivery is set at a national level. Realistically, the Scottish Parliament and/or Scottish Government will always specify levels of inputs or outputs in certain fields. Indeed, requirements of this kind can be an important way of ensuring consistency of important standards or entitlements across Scotland, helping express 'the kind of Scotland we want to live in'. The Scottish Government should be held accountable by the Scottish Parliament, and be accountable to the people of Scotland, for the setting of any such national targets, standards or entitlements.

Improvements can also be made in the setting of national policy aims – which should be reflected in a clearer statement of shared priorities between national government, local government and community planning partners. These priorities should be clearly articulated around outcomes for citizens and communities. This approach will help clarify the different roles and levels of governance in Scotland and help embed the principle of subsidiarity within policy and priority setting.

Society of Local Authority Chief Executives (SOLACE)

5.37 At the same time, it should be recognised that this tension can have a negative impact on the delivery of local outcomes. It is vital that any national targets, standards or entitlements are based on a clear and explicit account of their contribution to achieving the desired outcomes (for example, using a logic model or contribution analysis), jointly developed between the Scottish Government, local government and other partners and stakeholders. This should accompany a general move towards increased flexibility for delivering services at a local level to achieve agreed outcomes, and to be accountable for them.

5.38 More generally, the nature of national policy in particular fields can have a significant impact on the capacity of local organisations to work together to achieve positive outcomes with and for their people and communities. Our analysis and key objectives favour policy approaches which:

- are focussed on the achievement of outcomes in the lives of people and communities;
- are designed to build the capacity of those individuals and communities;
- support the local integration of service provision; and
- prioritise prevention and tackle inequalities.

A POSSIBLE DESTINATION FOR THE REFORM OF LOCAL PARTNERSHIP WORKING

5.39 This chapter has made recommendations for the reform of local partnership working. We now set out what the possible destination of this process of reform might look like, to help to shape and inform that process:

- there is a full and proper public and political process for determining and prioritising the outcomes which public services should seek to achieve. These should reflect the national outcomes determined by the Scottish Government and have their full participation;
- all public service delivery organisations working in that area must then collaborate with each other, people and communities, to design and deliver an integrated pattern of service provision using their budgets flexibly;
- the partner organisations are held to account by the public and their democratically elected representatives,

and by each other, for their achievement of these outcomes;

- wider governance arrangements are also built on that achievement with a foundation of common powers and duties;
- all processes for public engagement are built up from engagement at a more local level, at or around the level of multi-member wards;
- all public service organisations operating in a given local authority area see themselves as part of a common framework for public services in that area, and at least in part define and describe themselves as part of that framework; and
- organisations develop a collective public identity and branding (such as 'Public Services South Lanarkshire'), and become judged on their individual and collective contributions to achieving successful outcomes for and with the people and communities of that area.

6. PRIORITISING PREVENTION, REDUCING INEQUALITIES AND PROMOTING EQUALITY



A third key objective of reform should be to ensure that public service organisations **prioritise prevention, reduce inequalities and promote equality.**

INTRODUCTION

6.1 In Chapter 2 we identified the growing demand for public services in Scotland. In part, at least, this demand can be said to stem from a focus on reactive spending as opposed to preventative spending, which seeks to prevent problems before they occur. The costs to Scotland and its public services of negative outcomes such as excessive alcohol consumption, drug addiction, violence and criminality are substantial. Addressing the 'failure demand' that results from focussing on consequences rather than causes, and approaches which alienate or disempower service users, has a high cost for society and high costs for public services. This will be increasingly difficult to sustain into the future.

6.2 Many of the submissions we received emphasise the extent to which public service delivery is absorbed with tackling the symptoms, as opposed to the causes, of inequality. As NSPCC Scotland (2011) observed, the consequences of late intervention have high human costs, including "educational failure, anti social behaviour, crime and violence." Moreover, "responding to these problems consumes increasing sums of public money and increases the risk of relentless intergenerational deprivation." It is also recognised that reactive approaches are heavily resource intensive and represent a lost opportunity to have a more transformative impact.

6.3 The reasons for the prevalence of reactive approaches to failure demand are complex, but include:

- resources are frequently occupied dealing with immediate problems, to the exclusion of longer-term initiatives;
- an understandable but unhelpful focus on short-term results, sometimes exacerbated by political demands; and
- organisations having an unduly narrow focus on specific outputs or outcomes – meaning that beneficial, preventative investment they could make is not seen as being central to the mission of that organisation.

THE CASE FOR PREVENTATIVE APPROACHES

6.4 A growing body of evidence demonstrates the improvement in outcomes that can be achieved by taking preventative approaches.

When preventative programmes are targeted at solving well-researched problems and are strategically led and delivered, they can have an enormous impact on service delivery, providing a cost-effective use of taxpayers' money.

NESTA

6.5 Similarly, the recent Scottish Parliament Finance Committee *Report on Preventative Spending* (2010) demonstrated the broad support for the concept of preventative spend. The evidence submitted to the Finance Committee demonstrated the impact that preventative spending could have in "major areas of policy such as the

early years, climate change and health and social care, as well as more specific areas such as mediation, fire prevention and smoking.” The Finance Committee noted that a striking feature of its inquiry was “that witnesses have unanimously supported the concept of preventative spending as perhaps the primary means by which some of these social problems could, at best, be eliminated or, more realistically, be ameliorated.”

6.6 In the submissions we received, the benefits that can be derived from preventative approaches both in terms of improved outcomes for people and communities and reduced demands on public services emerged clearly. As just one example, Consumer Focus Scotland stated that “*there is social benefit in reducing or avoiding harm as early as possible and supporting people so that vulnerabilities (in terms of age, education, geography, ethnicity, gender, disability or ill health) do not disadvantage them, in terms of access to resources, benefits and opportunities.*”

6.7 In the context of budgetary decline and increasing demand for services the adoption of preventative approaches may be more challenging but it is imperative. A preventative approach offers a key means of tackling ‘failure demand’. In relation to local government spending, CIPFA (2011) identifies a “*need to manage and reduce the demand on public services which means moving from a system that deals with negative outcomes once they have occurred to prevention, early intervention and promotion of positive outcomes first time round.*” The Finance Committee report

on preventative spending cited evidence that an estimated 40 to 45 per cent of public spending in Scotland is focussed on meeting ‘failure demand’, that is short-term spending aimed at addressing social problems. It also identifies the high cost to the economy of violence and the high levels of spending in the health sector on obesity and smoking related diseases. In the first decade of devolution, the increasing costs of ‘failure demand’ could be met by budgetary growth, but this will not be sustainable in the future.

6.8 The adoption of preventative approaches, in particular approaches which build on the active participation of service users and communities, will contribute significantly to making the best possible use of money and other assets. They will help to eradicate duplication and waste and, critically, take demand out of the system over the longer term. As Professor Susan Deacon observed in her recent report on early years¹⁷, the energy and investment that has gone in to youth justice, antisocial behaviour and criminal justice would have been transformational if applied to early intervention. In a future of declining budgetary resources and increasing demand, the imperative of reducing demand makes that adoption of preventative approaches incontrovertible.

6.9 All that said, we recognise that one of the major barriers to the adoption of preventative action has been the extent to which resources are currently tied up in dealing with short-term problems, to the exclusion of efforts to improve outcomes in the long term.

17 *Joining the dots: A better start for Scotland’s children*, Deacon (2011) <http://www.scotland.gov.uk/Resource/Doc/343337/0114216.pdf>

6.10 We do not believe there is any magic solution to this problem. Our view, however, is that we all need to recognise that there is no alternative: if we do not manage to effect a shift to preventative action, increasing 'failure demand' will swamp our public services' capacity to achieve outcomes. In all aspects of our system of public services, therefore, from setting national policy to reforming the governance and organisation of public services, through to the design and delivery of integrated services, all parties must prioritise and build in action which has the effect of reducing demand for services in the longer run.

6.11 One key aspect of the need for a preventative approach lies in the persistence of significant inequalities in our country – the stubborn fact that a substantial proportion of the people of Scotland do not share fairly in the wealth and success of the country. People experiencing high levels of multiple deprivation experience a number of negative outcomes that are inextricably interlinked. They frequently live in families and communities where poor outcomes are mutually reinforcing, reflecting the significant spatial dimension to inequalities.

6.12 Living in an area with poor quality housing, low employment rates and high crime levels impacts on the health and wellbeing of all those that live there and perpetuates both the generational and geographical experience of poor outcomes. The most acute levels of deprivation tend therefore to be highly localised, with a spatial clustering of poor outcomes. Evidence indicates that tackling these multiple problems in isolation addresses neither the experience of negative outcomes through people's lives, nor their root causes.

6.13 This presents a glaring challenge to our aspiration that public services act as a force for social justice, as well as human rights. We believe that there has been a strong sense of social justice in Scotland historically and that this must continue to underpin the ethos and principles of public services in Scotland. We share the view that *"no progress towards positive outcomes can or will be achieved without addressing the issue of inequality."* (EHRC, 2011) Furthermore, tackling inequalities not only promotes more positive outcomes for individuals but also has benefits for the 'common weal'. We are convinced that Scotland, as a more equal society, can deliver better social and health outcomes for its people. The Commission also concurs with the Scottish Human Rights Commission (2011) that *"the core principles of a human rights based approach of participation, accountability, non-discrimination, empowerment and legality are embedded into the development, design and delivery of public service provision that dignity and fairness for all can be better achieved."*

6.14 A clear conclusion that we draw is that, if public services are at once to promote social justice and human rights and to be sustainable into the future, it is imperative that public services adopt a much more preventative approach; and that, within that, they succeed in addressing the persistent problem of multiple negative outcomes and inequalities faced by too many of the people and communities of Scotland.

HOW REFORM CAN SUPPORT A PREVENTATIVE APPROACH AND TACKLE INEQUALITIES

6.15 The recommendations we have made in the preceding chapters of this report will help to support a preventative

approach and tackle inequalities, in the following ways:

- pooling budgets in support of a longer-term, outcomes-based approach should allow preventative approaches to be prioritised. It should also contribute, over time, to a reduction in 'reactive' public expenditure by preventing duplication and reducing negative demand;
- extending and deepening a local partnership approach can involve a wide range of public service organisations in coordinated and preventative approaches;
- empowering front-line staff should promote greater initiative in identifying ways in which the causes of inequality can be tackled;
- empowering people and communities to engage in the initiation, design and delivery of public services should support the development of preventative approaches; and
- helping communities to achieve their own ambitions.

6.16 We believe that prevention is such a significant issue for the future delivery of public services that further, more specific steps should be taken. We have already, in [Chapter 5](#), recommended that the statutory framework for public service organisations should be amended to introduce common powers and duties, focussed on the pursuit of outcomes.

6.17 We recommend that such powers and duties as are developed should include a specific presumption in favour of prioritising preventative action, and action to tackle inequalities.

Specific action on inequalities

6.18 Given our analysis above, action to prioritise prevention needs to be accompanied by specific action to tackle inequalities. This section considers two aspects of that question – the reform of service delivery relating to employability; and wider action on regeneration.

6.19 A recurring theme in the evidence presented to the Commission has been the importance in addressing inequalities of public service interventions that enhance the employability of individuals, and so improve their and their families' life chances. The Commission has received evidence from a range of stakeholders which demonstrates how, and by what mechanisms, assisting individuals to move into training and work delivers positive social and economic impacts and contributes significantly to ending cycles of inequality.

6.20 This is all the more important given the ways – already noted in this report – in which the current period of slow economic growth will adversely impact on families and communities, possibly for many years to come. Improving the delivery of those public services which interrupt this cycle of inequality must be a priority for action.

6.21 As has also been noted earlier in this report, a key issue in this area is the separation of responsibilities between the Scottish Government and the UK Government, and the resulting potential for differing policy approaches. In the course of our meetings across Scotland it has become clear that the interface between reserved and devolved policies on employability (i.e. job search and support services) has compromised the achievement of positive outcomes. Particular concerns were expressed about a 'one-size fits all' approach on the part of

the Department for Work and Pensions (DWP) and Jobcentre Plus; about the ways in which programmes are contracted out from Whitehall; and about the extent to which DWP and Jobcentre Plus services are coordinated with devolved public services at the local level.

6.22 We are also aware of efforts which have been made to join up services across these potential divisions.

Box 6.1 – Glasgoworks

Glasgoworks is an innovative programme focussed on finding local solutions for the vulnerable unemployed. It acts as a vehicle for partnership action, with an independent board that includes representatives from the Glasgow City Council, Jobcentre Plus, the health board, Skills Development Scotland and the local chamber of commerce. The team ensures that an inclusive range of services and supports are provided to unemployed people with multiple and complex needs, and delivered through concerted and effective partnerships with local organisations, to support their journey back to work.

Since July 2008, Glasgoworks has secured 4,300 successful job outcomes. This work will continue through funding confirmed from the European Social Fund until 2013 that will enable them to offer support to 10,500 people to improve their employment chances; there is an expectation of a further 2,200 going into work. Engaging and supporting employers is critical to success, and this function is undertaken by a dedicated employer engagement team from within Glasgoworks. The team also manages the Commonwealth Jobs Fund which will support 1,000 jobs between November 2010 and July 2012 for young people aged 18 to 24 who have been out of work for six months or more.

6.23 The various issues considered and recommendations made in Chapter 5 about local partnership in support of integrated service provision apply in the case of services in reserved areas, as they do in devolved.

6.24 We recommend the full devolution of competence for job search and support to the Scottish Parliament to achieve the integration of service provision in the area of employability.

6.25 Employability is one aspect of the action required to tackle inequalities. As noted above, the spatial dimension to inequalities is also critical; and this has been recognised over many years in the implementation of successive policies on regeneration. Evidence received from the Improvement Service (2011), in the course of our work, provides further evidence of the clustering of negative outcomes at a small area (local neighbourhood) level, and argues for an integrated and highly localised approach to service delivery.

6.26 A recent Scottish Government discussion paper – *Building a Sustainable Future*¹⁸ – addressed the future direction that local and community regeneration policy should take, stressing the importance of community empowerment in the economic and social regeneration process. In that paper the Government highlighted the organisational challenge of “*how we make developing and supporting community-led solutions a part of mainstream business, rather than an occasional project, add-on or experimental programme.*”

¹⁸ ‘Building a Sustainable Future’, Scottish Government Discussion Paper, February 2011

6.27 It follows from our analysis throughout this report that action on community-led regeneration should be a priority for the Scottish Government, local government and their partners. This is also an acute example of the need for integrated service provision in that action must address the highly localised nature of multiple deprivation.

6.28 We call on the Scottish Government, local government and other partners to work together as a priority to develop specific public service approaches targeted on the needs of deprived communities. These approaches should:

- be based on highly localised and disaggregated data, capturing the specific circumstances and needs of deprived areas and populations;
- be based on clear understanding of the successes and failures of previous regeneration initiatives;
- bring together and deploy as flexibly as possible all resources devoted by partners to each area;
- maximise the contribution that community engagement can make in enabling communities to identify and achieve their own ambitions;
- allow for particularly innovative approaches to service delivery, for example through specialised not-for-profit providers; and
- provide clear accountability, to each other and to the public, on the part of all partners involved.

Promoting equality

6.29 We also recognise that among those that experience negative outcomes in Scotland, there are a disproportionate number of people who are vulnerable to discrimination as a result of their identity or status.

6.30 Since April 2011, when the general duty in the Equality Act 2010 came into force, Scottish public bodies have been subject to a new, single equality duty covering race, sex, disability, sexual orientation, religion and belief, age, gender reassignment and pregnancy and maternity. In accordance with this general duty, Scottish public bodies must have due regard to the elimination of discrimination, the advancement of equality of opportunity and the fostering of good relations. It is expected that specific duties to enable the better performance of the general duty will be reintroduced to the Scottish Parliament later in 2011.

6.31 We recommend that the Scottish Government, working with the Equality and Human Rights Commission and other stakeholders:

- identify the key equality gaps in Scotland, and address these gaps through further development of the outcomes and indicators contained within the National Performance Framework; and
- produce guidance on how the public sector equality duty can best be expressed in the context of partnership working.

7. IMPROVING PERFORMANCE AND REDUCING COST



Reform is required to ensure that all public services constantly seek to **improve performance** and **reduce costs**, and are open, transparent and accountable.

INTRODUCTION

7.1 The economic downturn and subsequent squeeze on public finances have exposed and exacerbated a series of challenges and structural tensions relating to our current system of public services (as discussed previously in [Chapters 2 and 3](#)).

7.2 In the post-devolution era of buoyant public expenditure, many of the design shortcomings of public services – for example: complexity, duplication and weak accountability for outcomes – were manageable. To a large extent, they were masked by rising inputs and the willingness of staff to work around system imperfections. However, the financial tide has turned and the purchasing power of the Scottish budget is retreating fast.

7.3 In this new and more challenging environment, it is essential that maximum value is wrought from every pound of public money spent in Scotland and, furthermore, that the public can be assured that this is so.

7.4 The Commission has heard how strongly people in Scotland value public services as an expression of the type of society in which they wish to live and, therefore, high levels of confidence in the quality of those services are crucial to sustain public support.

7.5 Public assurance is necessary to underpin the legitimacy of government and its partners to raise revenue and take bold and far-sighted actions to address society's problems, in circumstances where households' budgets are under pressure. Moreover, a high degree of public confidence in the efficiency and

effectiveness of publicly-funded services helps to encourage individuals and communities to engage positively with those services.

CURRENT SYSTEM

7.6 The Commission is aware of a range of shortcomings in the current system preventing public services achieve maximum public value and deliver continuous improvement in outcomes for individuals and communities (these are set out in greater detail in [Chapter 3](#)).

7.7 To improve performance and reduce costs, and continue to secure public confidence, we believe that public service systems need urgent redesign to:

- improve transparency and consistency;
- improve oversight;
- improve procurement and commissioning;
- improve shared services;
- improve organisational structures; and
- improve long-term, strategic planning.

7.8 The sections that follow describe the type of reforms we believe are required to drive up performance and drive out costs to improve the financial sustainability of Scotland's public services. They are necessary to maintain high levels of public confidence, trust and legitimacy in Scotland's public services when budgets and services are under such strain.

TRANSPARENCY AND CONSISTENCY

7.9 Current practice in relation to budgeting and performance management was criticised in much of our evidence for being hidden and obscure. Too often decisions about public services and processes for explaining and challenging their performance are opaque and distant from the public and competing providers.

Many commentators have discussed the breakdown of trust between the public and government at UK level. There is a risk that this trust will be further eroded as decisions are made that impact on local people, particularly if these decisions are seen as remote and ill-considered.

Consumer Focus Scotland

7.10 We believe the drive for improvement and better accountability can be enhanced through greater openness and transparency surrounding budget decisions, analysing the costs of service delivery and the degree to which services achieve their stated objectives.

...national funding arrangements lack the required standards of transparency and involvement of all key stakeholders leading to a clear accountability deficit.

Association of Chief Police Officers in Scotland (ACPOS)

7.11 To bolster challenge and accountability, public service organisations must be required to show the logic of how public money is supporting the achievement of better outcomes. They must demonstrate coordinated multi-agency strategies and collaboration with individuals and communities. Clarity about outcomes is a vital element in improving public services.

7.12 Often effective challenge and external scrutiny is frustrated by poor data availability or the incomparability of basic information about the costs, quality and performance of public services. Clarity is also needed on how organisations will act to improve performance on the basis of their analyses.

7.13 The Society of Local Authority Chief Executives in Scotland (SOLACE) and the Improvement Service among others argued that increased and consistent benchmarking between public bodies, replacing the current patchwork of approaches, would help drive better performance and support learning. The Commission is also aware of the ongoing work of SOLACE, the Improvement Service and others (e.g. Benchmarking for Improvement Toolkit) to facilitate and promote systematic benchmarking in different public service organisations.

7.14 However, we note too that the Chartered Institute of Public Finance and Accountancy in Scotland (CIPFA) said in their submission to the Independent Budget Review Panel that currently benchmarking “is not widely used by public bodies in Scotland”.¹⁹

Audit Scotland has found it difficult to assess whether reported efficiency savings by public bodies have been achieved and can be replicated across the public sector because there is not a comprehensive approach to benchmarking either between or within different areas of the public sector. It called for further work to develop benchmarking programmes which would provide more consistency in reporting efficiency savings and may allow better sharing of good practice.

Scottish Council for Development and Industry (SCDI)

¹⁹ Submission to the Independent Budget Review, CIPFA (April 2010).

7.15 The Commission recommends all public service providers are required to:

- **demonstrate clearly how their expenditure is driving the achievement of better outcomes through coordinated, collaborative working; and**
- **undertake regular benchmarking against comparable services and report publicly and annually on outcomes achieved and financial performance.**

IMPROVING OVERSIGHT

7.16 Oversight has a vital role to play in improving the performance of public service organisations. Many of the issues we encountered chime with significant themes in the 2007 report of Professor Lorne Crerar, in particular the recognition that well designed external challenge can be *“a catalyst for improvement where it influences behaviour and culture of providers, leading to improvements in the way that services are delivered.”*²⁰

7.17 To promote collaborative performance, the Commission believes national and local government need to ensure robust scrutiny of performance, costs and outcomes. The adoption of common powers and duties (proposed in [Chapter 5](#)) would also provide a more holistic approach to oversight of the collective efforts of public service organisations.

7.18 We recommend that Audit Scotland should be given a stronger and more proactive role in improving performance and reducing costs across all public service organisations.

7.19 In particular, this should include:

- oversight of the collective performance of public services in achieving outcomes around a common set of powers and duties;
- promoting better, more consistent and transparent use of data, including benchmarking to support continuous improvement by individual organisations and partnerships;
- certifying information on performance, costs, budget assumptions and projections of future demand (based on prevailing delivery models and national entitlements);
- driving the integration and better presentation of financial and performance information within business plans and accountability systems;
- identifying opportunities for improvement through streamlining functions, simplifying governance and accountability arrangements, changes to organisational structures and boundaries, sharing services and other initiatives such as co-location; and
- having the power to initiate reviews in support of its functions and to require joint work between organisations.

7.20 The Commission recommends that the Scottish Government and local government seek to amalgamate the functions of the Auditor General and the Accounts Commission to support an integrated approach to oversight.

²⁰ *The Crerar Review*, Scottish Government (September 2007)
<http://www.scotland.gov.uk/Publications/2007/09/25120506/0>

PROCUREMENT AND COMMISSIONING

7.21 Several submissions, notably from the third sector, argued for improvements in public sector procurement and commissioning practice. They suggested greater value for money and innovation could be achieved by:

- reorienting commissioning further towards outcomes and away from tight specification of service volumes (e.g. hours of activity) and costs; and
- improving transparency around comparing competing providers.

7.22 Recent progress on outcome-based commissioning (e.g. Social Care Procurement Guidance) and assessments of the social return on investment were highlighted by several respondents, though improvements remain patchy.

The language of outcomes, and approaches to measuring and evidencing them, are steadily being adopted and developed in care and support services. However most services are still commissioned and funded on the basis of units of cost and volume (for example, hours of support and rates per hour) with little attention paid to the value of those services in terms of their contribution to the outcomes identified by individual services users and families in support plans, or by community planning partnerships in Single Outcome Agreements.

Coalition of Care and Support Providers in Scotland

We would also draw the Commission's attention to progress made by the Scottish Government to support the development of a qualitative social impact measurement tool with the Social Return on Investment (SROI) programme. This tool provides a financial value to the social and environmental outcomes delivered by the third sector. The development and mainstreaming of SROI will allow third sector organisations to demonstrate their added value to public sector and identify what projects deliver the greatest social outcomes per pound spent.

Age Scotland

7.23 The Commission recommends a rebalancing of procurement and commissioning from cost efficiency towards effectiveness, with contracts focussing on promoting positive outcomes.

7.24 Third sector organisations, private businesses and competition regulators have highlighted competitive commissioning issues, especially transparency around comparisons between competing providers. There is a widespread belief that the Scottish Government and local authorities are less diligent about scrutinising and costing in-house services than those contracted out to external providers.

7.25 We recommend the same standards of scrutiny and transparency must be applied to procurement of goods and services from all providers. Public bodies must ensure that this is provided for in all contracts.

A further factor that has proved to be a stumbling block is creating a level playing field, or ensuring 'competitive neutrality', between different providers. There is still much to be done to ensure that when competition takes place between the public and private sector it is on an equal footing.

Office of Fair Trading (OFT)

7.26 The Commission recommends there is a requirement of competitive neutrality between all potential suppliers of public services – that is, a consistent and transparent application of commissioning standards to all providers, including in-house bids from public bodies.

SHARED SERVICES

7.27 There are examples of public service organisations working together to develop shared services – both for support functions and operational services – as a response to organisational complexity in public services and to achieve economies of scale.

7.28 Much of the recent focus on collaborative working has centred on securing efficiencies from shared 'back office' services, such as record-keeping systems, human resources, finance, procurement and facilities management. For example, health boards are working together to introduce an e-health patient management system, and local authorities have introduced collaborative procurement contracts through Scotland Excel and a recruitment portal 'myjobscotland'.

7.29 We also found examples of integrated approaches, developed locally between operational services such as health and social care, allowing for better

joint working and minimising duplication without compromising democratic accountability.

7.30 For example, plans are being developed for NHS Highlands to become the lead agency for delivering services for adults with community care needs while Highlands Council becomes the lead agency for children's services. In West Lothian, the Community Health and Care Partnership (CHCP) has brought community based health and social care services closer together and is working towards a fully integrated management structure. And, Clackmannanshire and Stirling Councils have announced the appointment of a new Head of Joint Social Services and a Head of Joint Education, with each role spanning the two councils, representing a new way of delivering services in those areas.

This local integration avoids the cost (and customer) shunting between organisations which can result from a narrow focus on sub-sectoral efficiencies.

National Community Planning Group

7.31 Despite these positive examples, evidence from national audit bodies, unions and business groups suggests overall progress on shared services has been slow and success difficult to verify.

Our work suggests that there is limited evidence of significant progress on shared service initiatives. The Accounts Commission recognises that councils are participating in a number of nationally- and locally-led shared service projects but has commented that there is scope for more progress to be made.

Audit Scotland

CBI Scotland's Public Services Group engaged with the Arbuthnott Review, and were encouraged that eight local authorities in west central Scotland examined the opportunities arising from shared services. However it has yet to prove a tangible catalyst for change across Scotland, with the overall pace of reform on shared services remaining slow.

CBI Scotland

Sadly shared services are frequently pushed by private consultants as a way to improve services and save money. They are in fact extremely costly and have high upfront costs. The previous Executive's original report into shared services showed an investment ratio of 2:1 — an initial investment of £60m is needed to save £30m. The UK National Audit Office report indicates that so far projects have taken five years to break even.

UNISON Scotland

7.32 Given the current budgetary imperatives, the Commission believes a much sharper focus and stronger incentives need to be applied to developing shared services as many opportunities are not being maximised. The 'myjobscotland' recruitment portal, for example, though used by all 32 Scottish local authorities and fire and rescue services, is not being used to advertise NHS vacancies.

7.33 The Scottish Government has commissioned John McClelland to review ICT infrastructure in the public sector to improve value for money and support multi-agency working and shared services. We have engaged with this review and believe it will provide a sound basis for

taking forward shared services based around new technologies.

7.34 And, as recommended above, we propose the Scottish Government and local government seek to amalgamate the functions of the Auditor General and Accounts Commission to support an integrated approach to oversight, identifying and promoting opportunities for collaborative arrangements across public services.

IMPROVING ORGANISATIONAL STRUCTURES

7.35 A consistent theme in the evidence was the view of a fragmented and poorly coordinated system of public services. Scotland's patchwork of bodies delivering public services is a complex product of its political and social history. It includes 73 central government bodies, 23 NHS bodies, 32 councils and 45 joint boards and committees among the 200 organisations covered by Audit Scotland and the Accounts Commission.

7.36 Complexity of organisations and systems was said to undermine their effectiveness, particularly at the local operational level, by:

- complicating the organisation of joint working;
- generating unnecessary cost and delay; and
- causing difficulty in navigating through the system of public services.

7.37 At the same time, we saw evidence which demonstrated that Scotland has the lowest number of local councils among European countries of similar population size. This suggests that it is the joining up of discrete service functions at a local level rather than the number of discrete council areas that is the key issue.

If we look at other European countries with comparable populations (Sweden, Finland, Denmark, Norway, etc.), they have at least 3 times the number of councils we have, and in some cases more than 6 times. As importantly, these small councils are running a complex array of services (community health, social care, schools, local policing) and often raising the bulk of their income through local taxation.

Improvement Service

Ongoing reforms

7.38 Attempts have been made to address this fragmentation and complexity by grouping and reducing the number of public bodies²¹ and through collective recognition of priorities and joint planning of activities (e.g. through the Concordat, National Performance Framework and single outcome agreements).

7.39 We are also aware of current work on specific service reform, including the Scottish Government's consultation exercises for police and fire and rescue services – the results of which are not yet available. We also received information on current work to achieve the integration of health and social care services, as highlighted in our remit.

7.40 Also, proposals for a 'single public authority' model are being developed in Orkney, Shetland and the Western Isles. Members of the Commission visited all three areas to discuss these proposals with local partners. Our view is that these are interesting and positive ideas, which provide a valuable opportunity to explore and possibly pilot alternative models for the

governance and organisation of public services.

7.41 We call on the Scottish Government to engage positively with local partners in the further development of proposals for a 'single public authority' model, and other options, with a view to putting in place one or more pilots.

Scope for improvement

7.42 Despite ongoing reforms, the public service landscape remains crowded with multiple points of authority and control.

7.43 We encountered contrasting views about how to improve coherence and coordination within public services. Some advocated wholesale structural solutions based on the merger of public bodies while others emphasised the potential benefit of altering the 'internal wiring' of systems (e.g. funding streams, duties, inspection and accountability regimes) while leaving organisational boundaries largely untouched.

7.44 Proponents of structural reorganisation call on the Scottish Government to reduce the number of local authorities, agencies and NDPBs (Non-Departmental Public Body) – the current number being deemed too many for a population of Scotland's size.

7.45 Given the obvious complexity of our current system of public services we believe that a programme of reform is likely to include some streamlining and simplification of public bodies. However, experience and research provide us with many examples when changing organisational boundaries, seen as an end in itself, has failed to impact on service outcomes and proved costly.²²

21 See 'Scotland's Public Bodies – The Simplification Programme'. <http://www.scotland.gov.uk/Topics/Government/public-bodies/simplification-programme>

22 For example: (i) Faces of Integration. Williams, P and Sullivan, H. International Journal of Integrated Care – Vol 9, 22 December 2009. (ii) Collaboration Matters: Inaugural Lecture. Sullivan, H. University of Birmingham. June 2010.

7.46 Balancing these twin concerns, we believe that all proposals for redrawing organisational boundaries should emerge from a full, outcomes-based, cost-benefit analysis and should be assessed against the criteria for reform we set out in [Chapter 8](#). We would expect new and adapted organisational forms to emerge from this process.

7.47 In addition, we believe altering organisational boundaries should be seen as just one aspect of any resultant reform. As discussed earlier, the reform of oversight systems alongside the adoption of a common system of duties for public bodies (see [Chapter 5](#)), could have the potential to be a major driver of improved outcomes by incentivising collaborative working.

7.48 The Commission recommends the Scottish Government, local government and partners take forward a rolling programme of bottom-up, outcomes-based reviews across service areas to improve performance and reduce costs.

7.49 These should identify opportunities to drive out costs through for example: streamlining functions, exploring organisational mergers, sharing services, co-location and simplifying governance and accountability arrangements. Projected cost savings should be assessed and verified by the Auditor General and the Accounts Commission.

LONG-TERM STRATEGIC PLANNING

7.50 The Independent Budget Review (IBR) highlighted the immediate pressures on the Scottish budget and identified a range of policy options with the potential to contribute to balancing the Scottish budget over the next three years.²³ Our task in contrast is to consider changes in the delivery of public services that will improve outcomes and ensure financial sustainability over the longer term.

7.51 The IBR Panel themselves remarked that “*the developing response to future challenges needs to be set in a more strategic, longer-term framework*”. Their Report makes the case that without such a framework public services are vulnerable to short-term tactical responses and year-on-year, non-prioritised ‘salami slicing’.

7.52 We aim to move the debate on from limited and polarised options focussed on contemporary finances to a much wider agenda with the potential to produce better returns over the longer term.

7.53 However, given the scale of the budget reduction imposed, we believe that our work needs be considered alongside the IBR and the conclusions and recommendations of that Report should remain part of the ongoing debate on public services. For instance, the issue of universality is usually posed as free provision for all versus means testing, whereas there are several other mechanisms – such as varying the age of eligibility – which can also reduce the spend.

²³ *The Report of Scotland’s Independent Budget Review Panel*, IBR (July 2010)
<http://www.scotland.gov.uk/About/IndependentBudgetReview>

7.54 We think it more logical to examine each area and option on its individual merits in terms of the positive effect on society, impacts on the budget and opportunity costs rather than supposing all proposals – on welfare or taxation – must be subjected to an identical approach.

7.55 We call on the Scottish Government to support long-term planning by ensuring all operating plans and budgets for public services:

- are directed towards outcomes and support integrated models of service provision;
- are made on the same multi-year basis; and
- are informed by credible analysis that illustrates the long-term fiscal consequences of current approaches.

7.56 The first of these points is discussed in [Chapter 5](#) where the Commission makes recommendations to increase flexibility, pool budgets and develop integrated models of service provision.

7.57 We heard evidence on the benefits of multi-year contracts for service providers to provide stability, and underpin quality and innovation. The Fairer Funding Statement, signed by the STUC, SCVO, CCPS, UNITE and UNISON, calls for five-year contracts for third sector providers.²⁴ The Statement notes that many current contracts fall short of the official recommendation of three years. Points were made too about the need for Government to provide greater certainty by setting multi-year national budgets.

“Planning to implement the scale of the reforms necessary requires three-year budgeting, not the one-year budget announced by the Scottish Government.”

Scottish Council for Development and Industry (SCDI)

7.58 The Scottish Government should provide all public services with forward revenue and capital budget projections on the same multi-year planning cycle.

7.59 The Commission believes long-term strategic planning needs to be grounded in projections of future demand patterns. Yet, as we outlined in [Chapter 2](#), there are no authoritative data on the likely growth of total demand for public services over the medium term or the costs involved.

7.60 We believe that the absence of such comprehensive and independent projections, and balance sheet information, based on current models of delivery and entitlements is a serious deficit. This must be addressed to improve resource allocation and transparency, and to inform public debate.

7.61 We note that the independent Office of Budget Responsibility (OBR), set up by the Coalition Government in the UK to provide independent analysis of UK public finances, is preparing to publish a ‘fiscal sustainability report’ this July.²⁵ The OBR’s report will illustrate the long-term costs of policy choices (e.g. changes in pensions and benefits), highlight spending pressures linked to demographic change and look at the sustainability of sources of government revenue. It will also examine the overall shape of the UK public sector’s balance sheet – that is, valuations of present and future assets and liabilities.

7.62 The Commission recommends the Scottish Government should replicate the Office of Budget Responsibility’s (OBR) independent fiscal sustainability analysis in Scotland, publishing annual statistics.

²⁴ <http://www.scvo.org.uk/policy/local-resources/fair-funding-for-voluntary-sector-service/>

²⁵ Discussion paper No. 1: *What should we include in the fiscal sustainability report?*, OBR (March 2011). <http://budgetresponsibility.independent.gov.uk/category/publications/discussion-papers/>

8. KEY ELEMENTS OF A REFORM PROGRAMME



INTRODUCTION

8.1 In this final chapter, we summarise what we see as the key elements of the programme of reform which should now be taken forward. We also comment on specific areas of reform highlighted in our remit.

8.2 The Scottish Government, local government and other partners and stakeholders should now work together in urgent, sustained and coherent programme to reform and improve Scotland's public services.

The **key objectives** of the reform programme must be to ensure that:

- **public services are built around people and communities**, their needs, aspirations, capacities and skills, and work to build up their autonomy and resilience;
- public service organisations **work together effectively to achieve outcomes** – specifically, by delivering integrated services which help to secure improvements in the quality of life, and the social and economic wellbeing, of the people and communities of Scotland;
- public service organisations **prioritise prevention, reduce inequalities and promote equality**; and
- all public services constantly seek to **improve performance and reduce costs**, and are open, transparent and accountable.

SERVICES BUILT AROUND PEOPLE AND COMMUNITIES

8.3 In developing new patterns of service provision, public service organisations should increasingly develop and adopt positive approaches which build services around people and communities, their needs, aspirations, capacities and skills, and work to build up their autonomy and resilience.

8.4 The Scottish Government should explore the potential of the proposed Community Empowerment and Renewal Bill to promote a significant improvement in the quality of community participation in the design and delivery of public services.

8.5 Managers and leaders within public service organisations should develop and extend the empowerment of front-line staff,

to support their engagement with people and communities. The Scottish Government, local government and relevant organisations should develop a systematic and coordinated approach to workforce development.

WORKING TOGETHER TO ACHIEVE OUTCOMES

8.6 Public service organisations should work to extend and deepen a local partnership approach, building on but going well beyond the current community planning partnership model. In particular, there should be a much stronger focus on engaging with people and communities in partnership processes, including the design and development of a pattern of integrated service provision.

8.7 To ensure its continued development, the current outcomes-based approach should be underpinned by a revamped political agreement between national and local government, as currently expressed in the Concordat. It should be a mutual requirement of this agreement that, alongside the single outcome agreement, each community planning partnership develops and agrees with the Scottish Government a clear plan setting out how partner organisations will pursue local service integration to achieve outcomes.

8.8 Community planning partners should develop and extend arrangements at a more local level (that is, more local than the local authority area) which facilitate public engagement and participation in shaping priorities, and in the design and delivery of services; and should establish arrangements to enable all parties to each single outcome agreement to account to the public for their contribution to the achievement of outcomes in those areas.

8.9 The Scottish Government should work with local government and other partners to devise and put in place an appropriate set of common powers and duties for public service organisations.

8.10 The Scottish Government and local government should review jointly the current arrangements for funding public service organisations, to increase flexibility. The Scottish Government should develop and extend the use of funding models which expressly require integrated provision of services – for example, through a ‘change fund’ scheme.

8.11 All relevant public bodies should participate in the preparation of a joint long-term asset management plan under the aegis of each local community planning partnership, based on a shared assessment of the current condition of their assets.

PRIORITISING PREVENTION, REDUCING INEQUALITIES AND PROMOTING EQUALITY

8.12 All parties must prioritise and build in action which has the effect of reducing demand for services in the longer run. The common powers and duties proposed in [Chapter 5](#) should include a specific presumption in favour of prioritising preventative action, and action to tackle inequalities.

8.13 Competence for job search and support should be fully devolved to the Scottish Parliament, to achieve the integration of service provision in the area of employability.

8.14 The Scottish Government, local government and other partners must work together as a priority to develop specific public service approaches targeted on the needs of deprived communities.

8.15 The Scottish Government should work with the Equality and Human Rights Commission and other stakeholders to identify the key equality gaps in Scotland, and address these gaps through further development of the outcomes and indicators contained within the National Performance Framework; and to produce guidance on how the public sector equality duty can best be expressed in the context of partnership working.

IMPROVING PERFORMANCE AND REDUCING COSTS

8.16 All public service providers should be required to demonstrate clearly how their expenditure is driving the achievement of better outcomes through coordinated, collaborative working; and to undertake regular benchmarking against comparable services, and report publicly on outcomes achieved and financial performance.

8.17 Audit Scotland should be given a stronger and more proactive role in improving performance and reducing costs across all public service organisations. In particular, this should include:

- oversight of the collective performance of public services in achieving outcomes around a common set of powers and duties;
- promoting better, more consistent and transparent use of data, including benchmarking to support continuous improvement by individual organisations and partnerships;
- certifying information on performance, costs, budget assumptions and projections of future demand (based on prevailing delivery models and national entitlements);
- driving the integration and better presentation of financial and performance information within business plans and accountability systems;
- identifying opportunities for improvement through streamlining functions, simplifying governance and accountability arrangements, changes to organisational structures and

boundaries, sharing services and other initiatives such as co-location; and

- having the power to initiate reviews in support of its functions and to require joint work between organisations.

8.18 The Scottish Government and local government should seek to amalgamate the functions of the Auditor General and the Accounts Commission, to support an integrated approach to oversight.

8.19 The Scottish Government, local government and partners should take forward a rolling programme of bottom-up, outcomes-based reviews across service areas, to improve performance and reduce costs. Projected cost savings should be assessed and verified by the Auditor General and the Accounts Commission.

8.20 There should be a rebalancing of procurement and commissioning from cost efficiency towards effectiveness, with contracts focussing on promoting positive outcomes. There should be a requirement of competitive neutrality between all potential suppliers of public services, through a consistent and transparent application of commissioning standards to all providers, including in-house bids from public bodies.

CRITERIA FOR THE REFORM OF PUBLIC SERVICES

8.21 Proposals for the reform of public services should be assessed against the following criteria.

Proposals for the reform of public services should:

- first and foremost, be shown to support the achievement of outcomes – real-life improvements in the social and economic wellbeing of the people and communities of Scotland;
- be affordable and sustainable within the budgets expected to be available to Scotland’s public services;
- include appropriate arrangements for services to account to the people and communities of Scotland, both directly and through their democratically elected representatives, so that public confidence in and support for the delivery of services can be maintained;
- ensure that services are built around the needs of people and communities, to increase individual and community capacity, resilience and autonomy;
- allow and encourage services to empower front-line staff and allow them to give of their best;
- support the local integration of service provision;
- encourage services to pursue preventative approaches, tackle inequality and promote equality;
- improve transparency over plans, expenditure and performance;
- contribute to the simplification and streamlining of the public sector landscape; and
- be consistent with and support the wider reform and improvement of Scotland’s public services.

Specific reform initiatives

8.22 Our remit asked us “to have clear regard to joint work already underway to take forward the increasing integration of health and social care, and to develop sustainable police and fire services for the future” (Annex C). Our consideration of these areas has helped to inform the conclusions and recommendations we have set out in this report. We also wish to make some specific comments on these areas of reform, reflecting the approach to reform we set out above.

8.23 We have received information on the Scottish Government’s consultation exercises on the reform of police services and fire and rescue services, including the consultation papers issued in February 2011. We have discussed these issues with a number of interested organisations, as listed in Annex E. The summaries of responses to these consultation exercises were not, however, published in time to be considered by the Commission.

8.24 In our view a number of questions remain to be addressed as these proposals are considered further. In particular, and in line with the criteria for reform set out above, it remains to be made clear whether any new arrangements can:

- be shown to lead to the achievement of better outcomes for the people and communities of Scotland;
- ensure that services are required to account to the people and communities of Scotland, both directly and through their democratically elected representatives, so that public confidence in and support for the delivery of services can be maintained; and
- support the local integration of service provision.

8.25 We call on the Scottish Government and other partners to address these issues in further discussion of the reform of police and fire and rescue services; and to give an account of how any specific proposals for reform can meet these criteria.

8.26 We also note that work is currently underway, by the Scottish Government and others, to explore options for the integration of health and social care services. We are aware of and have discussed with the partners involved the current proposals for 'lead commissioning' arrangements in the Highlands, as well as the integrated approach being pursued by West Lothian Community Health and Care Partnership.

8.27 We agree with the widely held view that this is an area in which both substantial savings and an improvement in outcomes can be secured, by achieving greater integration of services – for example, to reduce the number and cost of unplanned admissions of older people to hospital. It is right, therefore, that this area should be a priority for service reform.

8.28 We therefore call on the Scottish Government and other partners to continue to take this work forward as a priority, with a view to developing arrangements which support the integrated provision of health and social care services, in particular for older people. Specific proposals which emerge from this work should be assessed against the criteria set out above.

CONCLUSION

8.29 We now call on the Scottish Government and local authorities together with all partners and stakeholders to initiate these reforms. The goal must be nothing less than a substantial transformation of our public services. The prize is a sustainable, person-centred system, achieving outcomes for every citizen and every community.

ANNEXES



A. THE COMMISSION PROCESS

Setting up the Commission

A.1 On 19 November 2010, First Minister Alex Salmond launched the Commission on the Future Delivery of Public Services to examine how Scotland's public services can be delivered in future to secure improved outcomes for communities across the country. The Commission was to operate independently of government, and report its recommendations by June 2011.

A.2 Dr Campbell Christie CBE accepted the role of Chair of the Commission and was joined by nine other members, independent of party politics and representing a wide spectrum of expertise (see Annex B). Together, the Commission members have vast experience in all aspects of Scottish society and brought that experience from various different sectors including local government, the voluntary sector, the private sector, the media, academia and the trade unions. The Commission members all gave their time freely.

A.3 The Commission was assisted by three Expert Advisers, and was supported by a small secretariat team seconded from the Scottish Government.

A.4 In the Commission's remit (see Annex C), the Scottish Government set out a vision for the public services of the future. The Commission was asked to identify the opportunities and obstacles that will help or hinder progress towards this vision, and to make recommendations for change.

A.5 More specifically, the remit asked the Commission to:

- address the role of public services in improving outcomes, what impact they make, and whether this can be done more effectively;
- examine structures, functions and roles, to improve the quality of public service delivery and reduce demand through, for example, early intervention; and
- consider the role of a public service ethos, along with cultural change, engaging public sector workers, users and stakeholders.

Our Work as a Commission

A.6 We explored the questions in our remit by seeking, receiving and considering relevant evidence. We believed that our recommendations would need to be based on a comprehensive body of information and evidence about the current operation of Scotland's public services, and possible options for the future. We sought that evidence through receiving and considering written evidence; a wide range of discussion events; and by a large number of bilateral meetings with stakeholders.

A.7 A Call for Evidence was issued in December 2010, asking for views on:

- experiences of the operation of public services;
- examples of projects, services, innovations or improvement work, including evaluations or assessments, which may be relevant to the work of the Commission;
- the obstacles to and opportunities for improvement; and
- the options for the future.

A.8 We received over 200 responses from various organisations and individuals including public bodies, voluntary organisations and private sector companies (See Annex D). All the responses were analysed and formed a key part of the evidence base for the review. The responses can be found on our website.

(www.publicservicescommission.org)

A.9 We conducted a large number of discussion events and bilateral meetings with organisations and individuals across Scotland and across different sectors. These included political parties, local government, voluntary and private sector organisations and, most crucially, users of public services (see Annex E). We were involved in over 60 such meetings and events, and gained valuable evidence, views and case studies which together with the written responses formed a key part of the evidence base for the review. The notes from the discussion events can be found on our website.

A.10 To bring all this evidence together, share our views and opinions, and develop the content of this report, the Commission met formally on ten occasions. These meetings were held in various locations in Glasgow, Falkirk and Edinburgh where organisations had given the Commission free use of their meeting facilities.

A.11 We were aware that aspects of the future delivery of public services in Scotland, and the issues of public service reform which they raise, have been or are currently being explored by a range of reports and initiatives. These include:

- the Independent Budget Review;
- work to pursue the integration of health and social care;
- the Scottish Government's consultation on the future of policing;
- the Scottish Government's consultation on the future of fire and rescue services;
- the Clyde Valley Review on shared services;
- the Deacon Report: Joining the dots: A better start for Scotland's children;
- the McClelland Review of ICT Infrastructure in the Public Sector in Scotland; and
- the Roe Review of 16-18 vocational education and training.

We have engaged with and heard evidence from each of these initiatives.

A.12 We would like to thank all those who took time to submit a response and those that met with us, without whose input this report would not have been possible.

B. COMMISSION MEMBERSHIP

Dr Campbell Christie CBE, Former General Secretary of the STUC, President of Scottish Council for Development and Industry since December 2009 (Chair)

Dr Alison Elliot OBE, Convener, SCVO, and former Moderator of the General Assembly of the Church of Scotland

Dr Roger Gibbins, Chief Executive of NHS Highland from April 2000 until 31 December 2010. Former local authority Director of Social Services

Alex Linkston CBE, Recently retired Chief Executive, West Lothian Council. Pioneer of EFQM-based performance improvement, community planning and single outcome agreements

Kaliani Lyle, Scotland Commissioner of the Equality and Human Rights Commission, former Chief Executive of Citizens Advice Scotland and former Chief Executive of the Scottish Refugee Council

Jim McColl OBE, Chairman and Chief Executive Clyde Blowers, Chairman of Glasgow Works and member of the Scottish Government's Council of Economic Advisers

Professor James Mitchell, School of Government and Public Policy, University of Strathclyde, and published widely on multi-level government, devolution and public policy

Eddie Reilly, former Scottish Secretary of the Public and Commercial Services Union and former member of the General Council of the STUC

Councillor Pat Watters CBE, President, Convention of Scottish Local Authorities. Elected for third term in June 2007. First entered local government in 1982 as a member for East Kilbride and a Councillor in South Lanarkshire Council since 1995

Dr Ruth Wishart, Journalist and broadcaster and Member of the Board of Creative Scotland

The Commission was assisted by three expert advisers:

Professor Drew Scott, Professor of European Union Studies, University of Edinburgh and Co-Director of the Europa Institute.

Martin Sime, Chief Executive, Scottish Council for Voluntary Organisations (SCVO).

Dave Watson, Scottish Organiser (Bargaining and Campaigns), UNISON Scotland.

C. THE COMMISSION'S REMIT

Facing the most serious budget reductions for at least a generation, there is an urgent need to ensure the sustainability of Scotland's public services. At the same time we must continue to improve outcomes for the people of Scotland: by driving up the quality of services (so the average meet the standards of the best); and by redesigning services around the needs of citizens, tackling the underlying causes of those needs as well as the symptoms.

We are ambitious for Scotland's public services and wish to take them from good to excellent in every facet and in every place. We have a vision of Scotland's public services that:

- are innovative, seamless and responsive, designed around users' needs, continuously improving
- are democratically accountable to the people of Scotland at both national and local levels
- are delivered in partnership, involving local communities, their democratic representatives, and the third sector
- tackle causes as well as symptoms
- support a fair and equal society
- protect the most vulnerable in our society
- are person-centred, reliable and consistent
- are easy to navigate and access
- are appropriate to local circumstances, without inexplicable variation
- are designed and delivered close to the customer wherever possible, always high quality
- respond effectively to increasing demographic pressures
- include accessible digital services, that are easy to use and meet current best practice in the digital economy
- have governance structures that are accountable, transparent, cost-effective, streamlined and efficient.

The Commission is therefore asked to identify the opportunities and obstacles that will help or hinder progress towards this vision and make recommendations for change that will deliver us to our destination. In particular the Commission is asked to:

- address the role of public services in improving outcomes, what impact they make, and whether this can be done more effectively
- examine structures, functions and roles, to improve the quality of public service delivery and reduce demand through, for example, early intervention
- consider the role of a public service ethos, along with cultural change, engaging public sector workers, users and stakeholders.

The Commission should take a long term view and not be constrained by the current pattern of public service delivery, but should recognise the importance of local communities and the geography and ethos of Scotland as well as the significant direct and indirect contribution the delivery of public services make to Scotland's economy.

It should have clear regard to joint work already underway to take forward the increasing integration of health and social care and to develop sustainable police and fire services for the future. Updates on work in both areas are expected to be available to the Commission in good time for it to take into account in its recommendations.

D. WRITTEN SUBMISSIONS RECEIVED

Aberdeen City Alliance
 Aberdeen City Council
 Aberdeen College
 Aberdeenshire Community Planning Partnership
 Aberlour Child Care Trust
 Accounts Commission
 Association of Chief Police Officers Scotland (ACPOS)
 Age Scotland
 AHP Directors Scotland
 Alliance of Sector Skills Councils Scotland
 Alzheimer Scotland - Action on Dementia
 Amber Mediation
 Angus Council
 Argyll and Bute Council
 Association for Management Education and Development
 Association for Public Service Excellence (APSE)
 Association of Directors of Social Work (ADSW)
 Association of the British Pharmaceutical Industry Scotland
 Audit Scotland
 Auditor General for Scotland
 John Bannon and John Wormsley
 Barnardo's
 Bearing Point Scotland
 Black and Ethnic Minority Infrastructure in Scotland (BEMIS)
 Robert Black
 British Medical Association (BMA) Scotland
 Breakthrough Breast Cancer
 Brodies LLP
 Helen Brownlie
 BT Scotland
 Built Environment Forum Scotland
 Cairngorms National Park Authority and Loch Lomond & The Trossachs National Park Authority
 Confederation of British Industry (CBI) Scotland
 Centre for Scottish Public Policy (CSPP)
 Chief Fire Officers Association Scotland (CFOAS)
 Children in Scotland
 Chartered Institute of Public Finance and Accountancy (CIPFA)
 City of Edinburgh Council
 Clackmannanshire Council
 Coalition of Care and Support Providers in Scotland (CCPS)
 Comhairle nan Eilean Siar
 Community Development Alliance Scotland
 Community Justice Authorities
 Community Learning and Development Managers Scotland
 Community Transport Association
 Consumer Focus Scotland
 Cooperative Development Scotland
 Core Solutions Group
 Convention of Scottish Local Authorities (COSLA)
 Jim Cuthbert and Margaret Cuthbert
 Deloitte
 Deming Learning Network
 Development Trusts Association Scotland
 Disability 2 Opportunity

Domain Strategic Management Ltd	Highlands and Islands Strategic Transport Partnership (HITRANS)
Dumfries and Galloway Strategic Partnership (Community Planning Partnership)	HM Inspectorate of Constabulary for Scotland (HMICS)
East Ayrshire Council	Housing Support Enabling Unit
East Dunbartonshire Council	Bill Howat
East Lothian Council	iMPower Consulting
East Renfrewshire Council	Improvement Service
ENABLE Scotland	Improving Local Outcome Indicators Project
Engaging Scottish Local Authorities Programme	Independent Living in Scotland (ILiS)
Engender	George Inglis
Enterprising Scotland	Institute of Chartered Accountants Scotland
Equality and Human Rights Commission Scotland	Institute of Commissioning Professionals
Evaluation Support Scotland	Inverclyde Council
Employers in Voluntary Housing (EVH)	Investors in People Scotland
Edinburgh Voluntary Organisations Council (EVOC)	John Knox
Experian	Linwood Coalition
Falkirk Council	Long Term Conditions Alliance Scotland (LTCAS)
Fife Community Planning Partnership	Professor Ewan Macdonald OBE
Friends of the Earth Scotland	Ian Mackay
Frontline Scotland	Dr Bobby Mackie
General Teaching Council Scotland	Niall Mackinnon
Glasgow School of Social Work, Strathclyde University	Robert McGregor
Grampian Fire and Rescue Service	Microsoft
Grampian Police	Dr Tony Miller
Gordon Guthrie	Moffat Town Hall Redevelopment Trust
Peter Hunter	Mydex Community Interest Company
Highland and Islands Fire Board	National Community Planning Group
Highland Council	National Endowment for Science, Technology and the Arts (NESTA)
Highlands and Islands Enterprise	NHS 24
Highlands and Islands Fire Board	NHS Ayrshire and Arran

NHS Education in Scotland
NHS Fife
NHS Greater Glasgow and Clyde
NHS Health Scotland
NHS Highland
NHS Lothian
NHS Orkney
NHS Shetland
NHS Tayside
North Ayrshire Council
North Lanarkshire Council
Northern Joint Police Board
NSPCC Scotland
Office of Fair Trading
Orkney Islands Council
Professor Stephen Osborne
Parenting across Scotland
People First
Perth and Kinross Council
Public and Commercial Services Union
Quarriers
Regional Transport Partnerships of Scotland
William Reid
Royal National Institute for the Deaf (RNID)
Scotland
Royal College of Nursing
Royal National Institute for the Blind
Scotland (RNIB)
John Ross Scott
Scottish Association for Public Transport
Scottish Borders Council
Scottish Children's Reporter Administration
(SCRA)
Scottish Community Development Centre
Scottish Council for Development and
Industry (SCDI)
Scottish Council for Voluntary Organisations
(SCVO)
Scottish Enterprise
Scottish Environment LINK
Scottish Environmental and Outdoor
Education Centres Association Limited
(SOEC)
Scottish Environment Protection Agency
Scottish Federation of Housing Associations
Scottish Futures Trust
Scottish Government
Scottish Human Rights Commission
Scottish Independent Advocacy Alliance
Scottish Mediation Network
Scottish Parent Teacher Council
Scottish Social Enterprise Coalition
Scottish Sports Association
Scottish Trades Union Congress (STUC)
Scottish Water
Scottish Women's Convention
Scottish Youth Parliament
Paul Scriven
Shetland Islands Council
Skills Development Scotland
Society of Local Authority Chief Executives
(SOLACE) Scotland
Sopra Group
South Ayrshire Council
South East and Tayside Planning Group
South Lanarkshire Council
Space Unlimited
Noel Spare
Spokes

Sportscotland
Scottish Qualifications Authority (SQA)
Dave Staple
Strathclyde Police Authority
Strathclyde Partnership for Transport
Supreme Education Plc
The Action Group
The Coalition of Carers in Scotland
The Royal Incorporation of Architects in
Scotland
The Scottish Throughcare and Aftercare
Forum
The South West of Scotland Transport
Partnership (SWESTRANS)
The Wise Group
Dave Thompson MSP
Alan Trench
Trust Housing Association
Turning Point Scotland
UNISON
Unite Scotland
Voluntary Arts Scotland
Maureen Watt MSP
Willie Watt
West Dunbartonshire Community
Volunteering Services
West Lothian Community Planning
Partnership
West Lothian Council
Working Links
Cllr Alan Wright (Moray Council)
YouthBorders
YouthLink Scotland

E. MEETINGS WITH STAKEHOLDERS

Organisation/Person

Accounts Commission	NHS Health Board Chief Executive Officers
Sir John Arbuthnott	NHS Health Board Chairpersons Group
Association of Chief Executives of Voluntary Organisations	National Endowment for Science, Technology and the Arts (NESTA)
Association of Chief Police Officers in Scotland (ACPOS)	Orkney Islands Council
Association of Scottish Police Superintendents	Regulatory Review Group
Audit Scotland	Royal Institute of Architects in Scotland
Built Environment Forum Scotland	Rt Hon Alex Salmond MSP, First Minister
Chartered Institute of Public Finance and Accountancy Scotland (CIPFA)	Scottish Ambulance Service
Chief Fire Officers Association Scotland (CFOAS)	Scottish Association for Mental Health
City of Edinburgh Council	Scottish Borders Council
Clackmannanshire Council	Scottish Chambers of Commerce
Community Care Providers Scotland (CCPS)	Scottish Council for Development and Industry (SCDI)
Confederation of British Industry (CBI)	Scottish Council for Voluntary Organisations (SCVO)
Conservative Party (Derek Brownlee MSP)	Scottish Enterprise
Convention of Scottish Local Authorities (COSLA)	Scottish Environmental Protection Agency
Professor Lorne Crerar	Scottish Funding Council
Edinburgh Homelessness Prevention Project	Scottish Green Party (Patrick Harvie MSP)
Falkirk Council	Scottish Labour Party (Andy Kerr MSP)
Fire Brigades Union (Scotland)	Scottish Leaders Forum Planning Group
Glasgow City Council	Scottish Liberal Democrats (Tavish Scott MSP)
Glasgowworks	Scottish Police Federation
Sir Peter Housden, Permanent Secretary, Scottish Government	Scottish Public Service Ombudsman (SPSO)
Improvement Service	Scottish Trades Union Congress (public service unions)
Scottish Parliament Local Government and Communities Committee	Scottish Water
Long Term Conditions Alliance Scotland (LTCAS)	Shetland Islands Council
Margo MacDonald MSP	Skills Development Scotland
Jim Mather MSP, Minister for Enterprise, Energy and Tourism	Society of Local Authority Chief Executives (SOLACE)
National Community Planning Group (NCPG)	Spark of Genius
	Stirling Council
	Strathclyde Police
	Water Industry Commissioner for Scotland
	Western Isles Council
	Willy Roe
	Young Scot

List of Discussion Events

As a Commission, we wanted to hear views and experiences first hand, and therefore explore in more depth the issues raised in the written evidence. Therefore, Commission members participated in a series of 'Discussion Events'.

These events took a variety of forms – round-table discussions with stakeholders, workshops and public meetings.

Local Event – Hamilton, 7 March 2011

- Round-table discussion with **South Lanarkshire Community Planning Partners**
- Round-table discussion with **front-line staff**
- Round-table discussion with the **Lanarkshire Recovery Consortium**
- **Public meeting**

Local Event – Inverness, 8 March 2011

- Round-table discussion with **Highland Community Planning Partners**
- Round-table discussion with **Community Planning Performance Board**
- Round-table discussion includes the **Inverness City Partnership**
- Round-table discussion with **front-line staff**
- Public meeting with the **Inverness City Forum**

Local Event – Aberdeen, 15 March 2011

- Round-table discussion with **Aberdeenshire Community Planning Partners**
- Round-table discussion with **City of Aberdeen Community Planning Partners**
- Round-table discussion with **front-line staff**
- **Public meeting**

Local Event – Livingston, 21 March 2011

- Round-table discussion with **Senior Local Authority Staff**
- Tour of Civic Centre, including meeting **front-line staff**
- Round-table meeting with **Community Planning Partnership Board**
- Meeting with staff and clients at the **Craigshill Youth Inclusion Project**
- Meeting with **key stakeholders and members of the public**

Local Event – Moffat, 22 March 2011

- Round-table discussion with **Dumfries and Galloway Strategic Partnership**
- Meeting with **front-line staff**
- **Public meeting**

Citizen's Jury, 19-20 April 2011

- PwC and BritainThinks convened a Citizens Jury to complement the other evidence gathered by the Commission. The Jury of 24 citizens, broadly representative of the Scottish population, were recruited from all around Scotland.
- The Jury concentrated on three topics: (i) the values that should underpin public services; (ii) approaches to public service reform; and (iii) ways citizens can feel confident that money is being spent wisely.
- The report is available to download from the PwC website:

<http://www.pwc.co.uk/scotland/hottopics/citizens-jury.html>

F. RELEVANT PUBLISHED EVIDENCE

A wide range of other published evidence was considered during the course of the Commission's work, the key items of which are listed below.

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<http://www.rcuk.ac.uk/kei/Engaging/larci/AboutLARCI/Pages/Themes.aspx#coproduction>

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http://www.nesta.org.uk/press/assets/features/radical_approach_to_public_service_reform_required_to_save_scotland_money

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Engaged Staff: What Do They Look Like And Why Might You Want Them? Lawson E, The Good Work Commission 2009. <http://www.goodworkcommission.co.uk/>

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Leadership in The Public Sector in Scotland. ESRC Seminar Series: Mapping the Public Policy Landscape) 2009 <http://www.esrc.ac.uk/news-and-events/press-releases/2866/scottish-public-sectornew-leadership-needed-for-new-times-says-esrc-report.aspx>

Total Place: A Whole Area Approach to Public Services, HM Treasury (March 2010) http://www.hm-treasury.gov.uk/d/total_place_report.pdf;

Place-based Approaches and the NHS: Lessons from Total Place. Seminar Highlights ed. Humphries, R and Gregory, S., The Kings Fund (2010) <http://www.kingsfund.org.uk/publications/articles/placebased.html>;

Bringing Neighbourhood Centre Stage in Scotland. Carley, M. Joseph Rowntree Foundation & Communities Scotland. June 2006. <http://www.jrf.org.uk/publications/bringing-neighbourhood-centre-stage-scotland>

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