

SOLACE Scotland Annual Conference report...

26 - 27 March 2009



Delivering *in a* downturn,
driving *the* recovery



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SOLACE (Scotland) Annual Conference 2009

Delivering in a downturn, driving the recovery

26-27 March 2009

Macdonald Inchyra Grange Hotel, Polmont, Falkirk

This paper reports on the SOLACE (Scotland) Annual Conference, which was held on 26-27 March 2009, at the MacDonalD Inchyra Grange Hotel, Falkirk. Around 80 delegates, from the public, private and third sectors, attended the conference.

Set against the background of a deepening global recession, the conference was intended to:

- Consider how local authorities can continue to deliver positive outcomes in the economic downturn
- Explore how local authorities can work with their partners to promote economic recovery

The conference was structured around the Scottish Government's five strategic objectives, with panels which explored how Scottish local authorities and their partners could continue, despite the recession, to develop communities that are: Safer and Stronger; Healthier; Smarter; Wealthier and Fairer; and Greener.

This report provides an account of the conference sessions.

OPENING REMARKS

Mary Pitcaithly, Chair, SOLACE (Scotland) and Chief Executive, Falkirk Council, welcomed delegates to the 2009 SOLACE (Scotland) conference, noting that it was the first time the conference had been held in Falkirk. She reflected on some of the key developments since the previous year's conference, explaining that it had been a period of significant change:

- *Smarter Scotland*: the OECD report on education in Scotland had spelled out that those children who are most disadvantaged are further disadvantaged by the system, and as children progress through school the attainment gap widens. The implementation of the Early Years Framework and the Curriculum for Excellence will be challenging, but essential to address the early impact of social disadvantage.
- *Safer and Stronger Scotland*: a number of councils have acted as GIRFEC pathfinder sites to test out new ways of working to safeguard children; there has been a strong focus on the educational attainment of looked after children, culminating in *We can and must do better* and *These are our bairns*; MAPPA arrangements have become firmly embedded across Scotland; and there has been the publication of a new framework for Anti-Social Behaviour.
- *Wealthier and Fairer Scotland*: some functions have transferred from Scottish Enterprise to local government; and *Determined to Succeed* has seen an increase in partnerships between schools and business. Local authorities have made significant progress in the procurement of goods and services: they have used their purchasing power in innovative ways through Community Benefit Clauses. In addition, they have implemented the Fairer Scotland Fund.
- *Healthier Scotland*: Councils have been looking at creative ways to reduce absence rates; they have committed to improving employees' health and well-being through frameworks such as the 'Healthy Working Lives Awards'; and all authorities have been looking to deliver on the priorities and challenges set out in *Equally Well*.
- *Greener Scotland*: the ECO schools scheme has gone from strength to strength, local authorities are making good progress towards achieving 40% recycling targets, and are developing innovative ways of reducing their carbon footprints.

Mary reflected on the challenges presented by the recession, noting that public spending will be reduced: the only question is by how much and how quickly. Very tough settlements are inevitable, and local authorities need to be planning now, on the basis that there will be substantially less to spend in two years' time. She argued that authorities must be ready to innovate, finding imaginative solutions and helping communities and individuals survive the hard times ahead. But to do that, they will need to be freed up from the current restraints and given the capacity to make the changes which will transform their areas. They will also need to empower front line staff to improve services.

Mary noted that the economic downturn will make health inequalities worse, could make fragile communities even more fragile, and could increase levels of stress, depression and mental health problems. Young people will have more difficulty finding work, and authorities will need to support local businesses to ensure they survive the downturn. In addition, there are major challenges on the environmental front: climate change, landfill tax and the need to reduce authorities' carbon footprints.

In summary, local government now faces challenges which SOLACE (Scotland) could not have imagined at its previous conference: less money, more demands for services, growing pressure for public service reform, the pensions crisis and equal pay pressures.

Mary Pitcaithly concluded that leadership has never been more important. If councils make the most of the freedoms and flexibilities they have been promised, if they strengthen community planning partnerships and re-shape relationships with their local communities, they can continue to lead the way. Chief Executives' ambition and leadership in all of this will be crucial.

SCOTTISH GOVERNMENT IN PARTNERSHIP WITH LOCAL GOVERNMENT

In his presentation, **Bruce Crawford, Minister for Parliamentary Business, Scottish Government**, noted that the Scottish Government believes in aligning the public sector. This is particularly important given the financial climate. Over the next few years, the Scottish economy faces its biggest challenge in decades, and it will therefore be particularly important to have a strong relationship between central and local government.

The Minister noted that the Concordat has entrenched the role of local government, has enriched the leadership role of local authorities in Community Planning Partnerships, and has given a route to bring together the different parts of the public sector. The Concordat will have failed if it does not improve the quality of life of people in Scotland. Without the Concordat, local and central government would not be as well-placed to respond to the economic climate.

A few months ago, the Scottish Government announced a reduction in the number of scrutiny bodies; while reducing numbers is important, it will not bring about the step change that is needed. Audit needs to be proportionate, more coordinated and risk-based. The intention is to put local government scrutiny bodies under a statutory obligation to cooperate. Local government must ensure it has robust procedures in place, and delivery bodies themselves must be responsible for self-assessment and continuous improvement.

A new approach is needed across the political spectrum to tackle the economic downturn. Local government has been a constructive partner in a range of programmes to boost the economy.

On the issue of Elections, the Minister noted that we must make sure that people have the confidence their voice will be heard and their vote counted. The Scottish Government believes that local government elections should be held separate from other elections, and should focus on local issues. The Local Government Elections Bill will therefore decouple the elections.

The Minister noted that the use of STV has changed local elections, and it is accepted that a manual count of STV is not desirable. The Scottish Government is therefore committed to providing e-solutions for the next elections, but there is a need to rebuild confidence in e-counting.

In conclusion, the Minister noted that local and central government have a shared agenda, and can be proud of the way they have come together.

Mary Pitcaithly thanked the Minister for his presentation. She noted that SOLACE (Scotland) welcomes alignment; but the essential counterbalance is progress on scrutiny.

PROMOTING POSITIVE OUTCOMES: WORKING TOGETHER TO PREVENT ANTISOCIAL BEHAVIOUR IN SCOTLAND

This panel, chaired by **David Hume, Chief Executive of Scottish Borders Council**, introduced delegates to the Anti-Social Behaviour Strategy, which had been launched the previous week.

Alan Johnston, Deputy Director, Drugs and Community Safety, Scottish Government, explained that developing the Anti-Social Behaviour Framework had been a fascinating process and a new way of working for the Scottish Government. There was no desire to repeal the 2004 Antisocial Behaviour (Scotland) Act, but conducting a review was part of the Act and a manifesto commitment. The Concordat was a major influence, resulting in a strong desire to take the review forward on a consensual basis. The review was evidence-based and designed to explore the scope for prevention.

A revised PIER model (Prevention, Intervention, Engagement, Rehabilitation) is being promoted, with the balance being shifted towards Prevention, through meaningful community engagement. In terms of Intervention, the intention is to enable better sharing of information and resources. Engagement is to focus on involving, empowering and working in partnership with communities. The fourth pillar is now Communication, with efforts focusing on countering negative stereotypes and promoting positive role models.

Going forward, the expert advisory group will evolve into the Implementation Group, and there will be a Ministerial 'tour' to promote the framework around the country.

Trish Pryce, National Coordinator Anti-Social Behaviour, Scottish Government, advised delegates that she was not speaking in her Scottish Government capacity, but as a practitioner.

The big issue with integrated services, she argued, was the sharing of information. This should not be problematic, as the 2004 Act says you can share information as long as it is for purpose of tackling Anti-Social Behaviour; but this has been interpreted differently in different areas.

Dealing with Anti-Social Behaviour in an intelligence-led manner, based on the National Intelligence Model, allows the identification of 'hot spots'. Trish Pryce explained that up to two-thirds of local authorities have produced strategic assessments: these allow resources to be directed in a more efficient and time-saving way, and help manage tensions between political wishes and needs.

Sharing resources, she argued, leads to quicker identification of problems and quicker resolutions. One example is bringing different people together: for example, the co-location which has happened in Fife.

In terms of sharing outcomes, Trish Pryce noted the need for alignment between the SOA and the Strategic Assessment. There is a need to overcome the traditional tensions between the 'enforcement' and 'support' side of local authorities. She emphasised the need for a strategic lead to work on the sharing of information.

She concluded by noting that, in order to implement the framework, local authorities will need to adopt a problem-solving approach and to work with multi-agency groupings.

Summing up, **David Hume** noted that excellent practice already exists in Scotland. The new framework takes a new approach, tackling the causes, rather than the symptoms, of Anti-Social Behaviour. It encourages the sharing of good practice and requires informed and committed leadership. He encouraged colleagues to embed the framework in their business change programmes, and emphasised the importance of developing managers who can work across organisational boundaries.

REDUCING HEALTH INEQUALITIES

This panel, chaired by **Sandy Watson, Chair of NHS Tayside**, looked at how local government can best work with its partner organisations to tackle health inequalities.

Professor Susan Deacon opened her presentation by drawing attention to the substantial number of health inequalities strategies and plans that have been published in Scotland since devolution. She suggested the sheer number of such strategies contained shades of ‘snakes and ladders’: every time we get a new Minister, we end up back where we were before. She noted that Einstein defined insanity as “doing the same thing over and over and expecting different results”, and queried whether there is madness in what we have been doing to tackle health inequalities.

She noted that a lot of health promotion continues to focus on ‘dos and don’ts’, but for those whose health needs are greatest, that approach is likely to have the least impact. Looking at the economy alone is not sufficient to understand why Scotland has such stark health inequalities in comparison to its neighbour. An important question is about how we perceive ourselves: we need to be more ambitious than defining ourselves as the sick man.

Susan Deacon argued that it is not just about life expectancy: we need to consider quality of life; look beyond morbidity and mortality; consider the importance of well-being; and explore the notion of contentment, i.e., the extent to which we are at ease with ourselves.

How can our approach to health inequalities be different? Susan Deacon argued that we need to ‘get real and get human’: we need to face up to the realities of the human condition; shift the emphasis from process to people; and reduce displacement activities, which stop us focusing on people. Finally, we need to trust our instinct, intuition and judgement: we understand a lot already, and do not always need to wait for the next research study.

She argued that we need to ‘shift our emphasis upstream’: that is, recognise the importance of parenting; raise awareness across the population; and target support to those in greatest need. While the state cannot give children hugs, it can create the conditions in which more children receive them. The overall aim, she argued, has to shift to ensure the youngest receive love, nurture, security and stability; the health outcomes flow from that.

In the panel discussion, **Fiona Mackenzie, Chief Executive of NHS Forth Valley** agreed that we do not need more policies, we need to focus on what works. Factors that make really big improvements in health tend to be outside the service (e.g. drainage). She argued for a move away from the focus on waiting times, and noted that good work has been done on smoking by getting all the right players together: we need to do the same for alcohol.

Sue Bruce, Chief Executive of Aberdeen City Council, agreed that we need to focus on children before they are born; simplify the policy landscape; and highlight emotional intelligence. Change, she argued, has to come from practitioners.

In discussion, reference was made to the fragmented nature of public policy. Susan Deacon argued that our most powerful tool in challenging the public policy process is the capacity to ask questions.

Reference was also made to the tools that local government now has to tackle health inequalities: we should work across partners, using data-sharing mechanisms and initiatives such as Customer First, to predict people's needs.

DEVELOPING A SKILLED, SMARTER SCOTLAND

This session, chaired by **David Anderson, Chief Executive of South Ayrshire Council**, looked at the role of local authorities in developing a smarter Scotland, and a strengthened economy, through the development of skills.

Willy Roe, Chair, Skills Development Scotland and Scottish Commissioner, UK Commission for Employment and Skills, gave an overview of Skills Development Scotland, explaining that it was a new agency, created out of parts of the skills arms of the enterprise agencies, Careers Scotland and Learn Direct Scotland. Its purpose is to maximise its contribution to sustainable economic growth by unlocking the potential of everyone. It has a threefold purpose:

1. To enable people to fulfil their potential
2. To make skills work for employers. Scotland has the highest skills performance in the UK, but is in the middle in terms of economic performance.
3. To be a catalyst for change in the economy.

Once it is launched in September 2009, the company will work with local authorities, and will aim to make a significant contribution to Single Outcome Agreements.

Willy Roe noted that, while there are different views about how long the recession will last, it is anticipated that public spending will go down in Scotland every year for at least 10 years. The impact of this will be particularly difficult for younger people. Natural human reactions will not get us out of recession: we have to lead.

In a recession, he argued, we need to look to the future and be aggressive innovators. There is rapidly increasing demand for public services that cannot be satisfied, particularly regarding Health and Housing: the only way forward is to lead innovative public services. Innovation needs to become the central plank of our response to recession. We should refocus minds from services to solutions: providing more and more services does not provide answers to long-standing problems.

Public authorities cannot do all this alone, he argued. The most significant change we need to bring about is engaging citizens in being part of the solution, not just the recipient of services. We need citizen-initiated activities to help us not need such extensive public services as we have now.

Willy Roe argued that there are 4 enablers:

- We need to embrace a culture of innovation
- We need leadership
- We need to build systems of support and investment
- We need to build a culture for learning and sharing that gives an incentive for experimentation and innovation

He concluded that we have a lot of enabling conditions, but need to be bolder.

In the panel discussion, **Edith Wellwood, Senior Consultant, CapGemini Consulting**, talked about the importance of the Early Years, and queried whether that workforce was invested in appropriately. She emphasised the important role played by the Sector Skills Councils nationally.

Caroline Stuart, Director, Oracle Scotland, gave an overview of the ICT Forum, explaining that it had been set up to look at why Scotland is lagging behind other countries in terms of productivity. She explained that the work of the forum is about using ICT smartly to improve productivity: exploitation of ICT accounts for 50% of any efficiency gains you will generate. She noted that the number of young people going on to study ICT has been falling off, and this needs to be addressed.

In discussion, panellists were asked how politicians can be engaged in debate around innovation. **Willy Roe** argued that local government needs to use its collective voice: it is more credible now than it has ever been. He argued for a different perspective on risk: it is not just about minimising things that might go wrong; it is also about looking at opportunities that you might otherwise miss.

DRIVING ECONOMIC RECOVERY AT THE LOCAL LEVEL

Chairing this panel, **Ronnie Hinds, Chief Executive of Fife Council**, suggested that local government should be leading the way out of recession: local authorities have the responsibility to exercise community leadership, they have the capacity to act in terms of skills and resources, and are resilient organisations in their own right.

Dave Anderson, Director of City Development, City of Edinburgh Council, gave an overview of the causes and impact of the credit crunch. He noted that the recession will cause demand for services to increase. How do we respond? He noted that there are three aspects to consider: securing the flow of investment; support for businesses; and retaining capacity and skills.

Dave Anderson identified a number of general principles for responding to the recession:

- Adhere to a long-term strategy: investment will be attracted to areas with long-term aims/vision to which they adhere
- Demonstrate purposeful, committed leadership: sit down with businesses and investors and facilitate investment
- Be flexible at a tactical level
- Build capacity and skills
- Try things and be willing to fail (but fail fast)
- Strengthen and develop partnership working

In terms of securing investment, he made the following recommendations:

- Be flexible on developer contributions
- Recognise that some ambitious projects should not be pushed in the current environment
- If confident enough, make strategic acquisitions at the bottom end of the market
- Accelerate infrastructure investment

He made the following recommendations in terms of supporting local businesses:

- Work with Chambers of Commerce and Business Gateway on support strategies. He explained that Edinburgh is developing a Beat the Recession campaign, which involves hosting seminars with Chambers of Commerce
- Support local businesses through procurement
- Speed up payments to businesses
- Provide flexible rents and support for SMEs

He also advocated supporting capacity and skills:

- Support apprenticeship programmes
- Encourage developers to use local labour
- Use secondments to bring private sector expertise into local authorities (e.g. surveyors)
- Promote business start-up opportunities through Business Gateway
- Work with partners on economic resilience, using principles from Emergency Planning

In the panel discussion, **Alex MacDonald, Chair, Business Gateway Fife**, agreed that we need to be prepared to fail, but to “fail fast”. He noted that companies that are best placed to cope with recession are those that are trying to find new markets globally. He encouraged local authorities to focus on new, growing companies, by helping them to find new markets.

Richard Webster, Chief Executive Officer, Liberata, noted that there are lots of winners and losers in a recession. Liberata is a business process outsourcing firm, and operates in a very competitive market. He noted that the next generation will not appreciate leaflets, paper bills etc, and therefore stressed the importance of innovation, technology and investing in new services.

Sebastian Tombs, Chief Executive, Architecture+Design Scotland, encouraged delegates to maintain the vision for the long-term. He stressed the importance of investing in skills, people and imagination. He noted that there are reducing receipts for planning, but suggested that resources could be released to do forward planning. He encouraged delegates to be flexible and think laterally.

In the discussion, there was agreement that this was a different type of recession. It was noted that opportunities may exist in technology, renewable energy, life sciences, and particular aspects of financial services. In addition, Scotland has great natural resources for renewable energy, it is resource-rich in skills, and the current exchange rate is beneficial for tourism.

Panellists were asked if now was the time for local authorities to buy land in order to sell (e.g. for social rented housing). The importance of having a vision was noted. There are questions about how housing sustains: it needs to be mixed development, and there is merit in exploring ‘green housing’.

DELIVERING A GREENER SCOTLAND IN A DOWNTURN

Chairing this panel, **Ian Snodgrass, Chief Executive of North Ayrshire Council**, invited delegates to think about how local authorities can make the changes necessary to reduce their carbon emissions, while local government finance is declining.

John Thorp, Managing Director, Energy Centre for Sustainable Communities, gave an overview of Woking Borough, explaining that its population is around 90,000 and that it is a very mixed borough, and one in which it is difficult to make sure there is equality of opportunity.

He explained that the environment has been one of the local authority's top three priorities since 1990/91, and has had cross-party political support since then. Between 1996 and 2008, the council has achieved energy consumption savings of 31% and CO2 emission reductions of 29%.

He gave an overview of Woking's Climate Change Strategy, which encompasses adaptation to climate change and promotion of sustainable development. The council has also produced a 'Climate Neutral Development' good practice guide, which is designed to help ensure that buildings should be neutral to the environment and neutral from the effects of the environment.

Woking established its first Energy and Environmental Services Company (EESCo) in 1999, and it completed its first project in 2001. The company, Thamesway Energy Ltd, has a flexible corporate structure and is a means by which energy and environmental services can be delivered. It operates 20-30 year project business plans. Its economics depend upon it being a generator, distributor and supplier of energy. Its retail income is critical to financing projects; all profits of the group can only be spent on sustainability within the borough.

John Thorpe gave an overview of some of the innovative uses of sustainable and renewable energy within Woking, e.g.: the Brockhill Sheltered Housing Scheme, which produces more than its own energy requirements, and can export the excess for sale; Woking Pool in the Park, which has PV shading along its high-level corridor, and a CHP fuel cell; and, the use of Combined Heat and Power to provide environmentally-friendly services to council buildings.

For the future, Woking is looking to the further integration of renewables and CHP. This will bring 1,000 homes into the 'retro-fit' programme. Social inclusion will also be a focus, with efforts to engage with harder to reach communities.

In the panel discussion, **Paul Minto, Head of Public Services, HBJ Gateley Wareing**, talked about the UK Climate Change Bill and the Scottish Climate Change Bill. He explained that the Climate Change Bill will attach responsibility for emissions to each region; the Scottish Government is currently working on a carbon assessment toolkit. He advised delegates that the Carbon Trading Scheme will be published in April 2010. He noted that it is possible for community energy companies to be established in Scotland; and challenged delegates to think about doing it.

Bryn Middlemass, Eaga, advised delegates that Eaga is the UK's largest provider of energy efficiency measures, and it operates a fuel poverty programme. He advised that sustainable carbon savings cannot be achieved using a piecemeal approach. The domestic market accounts for 35% of any local authority's emissions. With the decline of the building industry, there is a great opportunity to retrain for renewables.

He advised that organisations need to partner with the correct people: it is important to match the values of your organisations. He also recommended that any residential carbon strategy include an element of social inclusion.

David Bond, Head of Public Sector Sustainability Practice, BT, concluded that government can invest in sustainability and cut costs. He spoke of BT's achievements in using virtualisation, mobile technologies, and rationalisation of estates. He explained that BT has seen a 60% drop in UK carbon emissions over 10 years, 20-30% productivity rises; sickness and absenteeism less than half the UK average; and £365m savings over past 3 years.

David Bond argued that sustainability is not a peripheral consideration: it needs to be an integral component of your business. It is a corporate issue, and needs to be managed by Chief Officers. He advised delegates that they need to understand current carbon emissions: know what you can manage and what you cannot.

Panellists were asked about how to build enthusiasm amongst citizens for green initiatives. John Thorpe explained that one advantage of sustainability work is that it is very visible. In Woking, every person has received a copy of the Climate Change Strategy in their own language.

Paul Minto was asked whether the new legislation would penalise local authorities with rising populations because of their plans for growth. Paul confirmed that it is not designed in that way: it is intended to improve energy efficiency. The metrics are not yet settled, however. He raised the possibility that we may see the development of Carbon Trading Schemes between local authorities.

John Thorpe was asked about Woking's litter reduction efforts. He advised that there had been an analysis of the routes that people walked through the town centre, and litter bins were therefore sited so that people are never more than 15m from a bin. In addition, £75 on-the-spot fines are issued for littering in the town centre.

CLOSING REMARKS

Summing up, **Mary Pitcaithly, Chair of SOLACE (Scotland)**, noted that very challenging times are ahead, but Scottish local authorities are well-placed to meet those challenges.

She noted that a number of key messages had emerged from the conference panels:

- being bold
- holding onto the vision
- looking for evidence but trusting instincts
- developing community capacity
- being creative and innovative
- leadership.

She thanked all presenters and panellists for their insightful contributions.

SOLACE (Scotland) would like to thank those organisations that supported its 2009 conference:



Falkirk Council

HBJ Gateley Wareing

