



## **TRANSFORMING PUBLIC SERVICES: THE NEXT STAGE OF REFORM**

### **A RESPONSE FROM SOLACE (Scotland)**

SOLACE (Scotland) welcomes the opportunity to respond to this consultation paper and is committed to working in partnership to develop and create customer oriented public services at local, regional and national levels.

In November 1994, just prior to the reorganisation of local government, we issued a report entitled "The New Management Agenda". It was written specifically in the context of local government reorganisation, but much of its contents, *mutatis mutandis*, remains valid in a context which is about the whole public sector and not just local government.

The following sections are particularly relevant:

- "There needs to be clear understanding of how new (changing) local authorities are best managed and how the democratic processes should operate
- Developing good practice should be encouraged, particularly in the creation of a working environment, career structures and general culture which will encourage able and committed people to work in local government
- Reform proposals and general change should allow for the enduring impact of the continuing 'revolution' in management

Each of these needs to be set against the two major roles – service provision and community government – and the well-documented ideas of the 'competitive' and 'enabling/collaborative' council. This involves:

- Understanding and being close to customers and citizens
- A capacity for learning and responding to the needs of people and communities
- A strategic approach which can identify what needs to be done and how
- An understanding of capacity – both within the organisation and in the locality and how the locality can be enhanced by the organisation
- Setting and pursuing achievable objectives
- Assigning clear management responsibilities and monitoring them
- Developing the organisation and training/ motivating people
- Deploying a wide variety of management skills and approaches as the council moves between action and influence
- Communicating effectively inside and outside the organisation

- **Adapting quickly to change; stimulating, enlisting and encouraging a wide range of people and interests.”**

We would suggest that changing “local authorities”, “local government”, “councils” and “organisations” in the above quotation to “the public sector” is a good starting point from which to consider the content of the consultation paper.

However, in the context of 2006, we would update with the following:

- Sharing services for lower costs and more effective arrangements
- Integrating services across boundaries
- Taking one view of the customer
- Sharing information and data
- Consider private sector partners too

The opportunities are enormous. The Scottish public sector can be strengthened and made even more effective. The challenge now is to make that happen in ways which suit local circumstances.

SOLACE accepts that one size does not fit all. However, to avoid a situation where local models become so different that the public become confused, there would be merit in drafting a framework for the reform process. What are the things which should be orchestrated nationally; what might be appropriate regionally; and what might best be delivered locally?

As we said in our response to the consultation paper on Shared Services, we need:

- Vision – a clear sense of where we’re trying to get to. We may get there by various routes and at different timescales, but we must have a sense of where we are trying to end up.
  - The development of a powerful top team.
  - Recognition of the importance of communication in the process of change. Communication doesn’t happen in one go. It needs to be an absolutely relentless and continuous process of telling people what has happened and what is going to happen.
  - Progress to be maintained. There is no way that organisations change through blinding flashes of imagination and inspiration. They change through people being clear about where they want the organisation to go, and through a systematic process of incremental implementation. Otherwise, managers and staff are predisposed to think that this is just another initiative.
- This is not just another initiative. It is about changing the way we do business to suit the context we are now operating in. What we are talking about is not about quick rapid fixes. It is about a sustained effort on all our parts. We have to be willing to review vigorously, to measure progress, and to be honest with ourselves about where we’ve got to as we move along.

- If we are changing the way we do business, we need to develop appropriate management development packages which support managers as they adapt to the changing context and which focus on managerial responsibilities appropriate to the posts involved. We need to develop the vision and translate that into operational terms (that gives us the WHAT) ....and the management development package will be focusing on the managerial responsibilities related to delivery (ie the HOW).
- SOLACE sees itself as having a key role in terms of leadership and would point to the significant influence we have had with Customer First. Three of the Sub-Programme Boards – Definitive National Address Gazetteer; CRM/ Citizens Account; and the Entitlement Card - have all been chaired by SOLACE. We have a track record of ensuring ownership and of making projects happen.
- We believe that we should be focusing on:
  - Our customers
  - Our staff
  - Our corporate priorities
  - Our services
  - Our business processes
  - Our structures
  - Our technologies

We wish to frame the detail of our response under the five fundamentals of reform contained in the consultative document – ie:

- ❖ **User focus and personalisation**
- ❖ **Quality and Innovation**
- ❖ **Efficiency and Productivity**
- ❖ **Joining up and minimising separation**
- ❖ **Strengthening accountability**

We will also include a final section on **Structures, Outcomes and People**.

## **USER FOCUS AND PERSONALISATION**

- SOLACE agrees that services should be designed around customer needs, not the convenience of service providers;
- Essentially the agenda is one of business transformation;
- This will involve changing the service delivery culture of the public sector, with emphasis on community engagement, involving appropriate training of staff at all levels, community capacity building and the development of customer services strategies;

- Customer care and good complaints handling are of paramount importance and measures should be adopted which reward customer focus on the part of staff;
- Users should be consulted on the amount and nature of choice they want;
- The public sector should publish the results of consultations and how they have been used;
- The public should be involved in the development of clear service standards which they can expect;
- There is a need to provide clear good quality information in an accessible format on the range of service provision available;
- Wherever possible complaints should be resolved at the first point of contact. It would also be helpful to have a guideline for complaints systems which each organisation can adapt to suit local circumstances;

## **QUALITY AND INNOVATION**

### **Innovation and Creativity**

- SOLACE is fully committed to the delivery of local government services which are recognised as world class. There are many examples of where an innovative approach coupled with the professionalism and exceptional commitment of Council employees has achieved outcomes of the highest quality. It is however acknowledged that more could be done to foster a more consistent and widespread culture of innovation and creativity across the entire public sector.
- The starting point to address this issue, facilitate partnership working and free up resources would be to establish a single strategic and financial planning framework for the entire public sector in Scotland. Currently there is very limited consistency in planning cycles between councils let alone with all other sectors. For example, some authorities prepare 4 year corporate plans, others prepare 3 year plans etc. A consistent cycle at national, regional and local level involving all parts of the public sector based on integrated strategic and financial planning would it is suggested greatly facilitate partnership working and encourage better joined up planning and development processes.
- On a similar theme the need for varying accounting frameworks in different parts of the public sector would also merit review to achieve greater consistency and again free up resources to concentrate more on driving up service quality through greater innovation.
- In the short term the main focus to encourage greater innovation must be to free up the maximum time within organisations to concentrate on service development and delivery. The review of audit, inspection and regulation now underway led by Professor Lorne Crerar is welcomed and will it is envisaged lead to a much more streamlined and

proportionate system. This should significantly improve the current arrangements which are unnecessarily taking up massive resources and certainly not creating an environment within which innovation can flourish. Similarly the move to an outcome agreement approach with a significant reduction in the proliferation of separate funding streams, each with their own monitoring and reporting framework, is another important factor which will free up resources for more productive use.

- The extent to which innovation and best practice is spread across the public sector could also be enhanced and the Local Government Improvement Service will continue to have a crucial role to play in addressing this issue.

### **The Best Value Process**

- The proposed approach to reform involving greater trust and freedom for public sector bodies is welcomed. It is recognised in return these same bodies must be able to demonstrate the extent to which they are securing Best Value. This could be best achieved through a single annual performance outcome report that demonstrates how all resources available to the organisation have been utilised and the key outcomes achieved against each strategic priority. The report would show the extent to which key and meaningful service indicators have improved year on year. Where targeted outcomes have not been achieved and/or service standards improved or maintained at a sufficiently high level these reports would also require to set out planned actions to address such issues. The single annual performance outcome report would be subject to annual review through Audit Scotland and account taken of performance and outcomes to inform the targeting and frequency of Best Value Audits as well as on any cross cutting theme reviews which may require to be considered.
- Since the Best Value agenda is still very much at a relatively early stage of development no other suggestions are made to strengthen this process other than to ensure that it is kept under regular review and that it is consistently embraced across all parts of the Scottish Public Sector.

### **Minimum Service Standards**

- It is suggested that minimum service standards should be considered initially at two levels:
  - those that would apply across all parts of the public sector for standard processes such as dealing with correspondence, telephone calls and complaints etc.
  - service specific standards which could apply across a particular sector e.g. housing repair categories and response times.

For both types of service standards, along with others determined by each organisation these should be included in the annual performance outcome report as detailed in the response to the preceding question. Performance against all service standards could then be considered to best target external audit/inspection processes and any support requested through for example the Local Government Improvement Service to remedy areas of poor performance.

- A further step to support minimum service standards within the context of a commitment to excellence in the delivery of services could be the development of a bespoke Scottish Charter Mark based on all the public sector reform principles. Such an award would represent a very positive incentive to engage in the reform programme. This would also provide opportunity to celebrate more widely excellence in service provision rather than under the current arrangements which often tend only to generate high profile attention when there are isolated service failures and/or poor best value audit reports.

## **EFFICIENCY AND PRODUCTIVITY**

SOLACE agrees that major efficiencies are obtainable through improved processes and better business management, and would point to the considerable success that local government has had since 1995 in doing just that. Many councils have embarked on business transformation programmes with an emphasis on Customer First and change management (see list prepared jointly by SOLACE and CoSLA). There is scope to do more, but there should be a clear understanding that we are not starting from square one. In 1996, local government expenditure accounted for 42% of public sector expenditure. Now it is 36%, in a context where public expectations are greater. The Health Service and inspection agencies, for example, have on the other hand grown substantially over that period. .

We would make the following points:

- Planning, funding and reporting arrangements need to be simplified. The greater the standardisation and simplification the better;
- The public sector would work better together on the basis of eg common governance arrangements and IT platforms. Indeed, if we were to include services such as local economic development and health improvement under the umbrella of councils, we could greatly simplify the public sector governance map.
- It would be helpful to identify the shared services themes which are most appropriately dealt with at national, regional and local levels, and achieve buy-in across the whole public sector. Local government is not convinced that eg NHS Scotland, or Scottish Enterprise are currently giving much attention to sharing services outwith their own national operations. There is still a vertical silo mentality at the national level which often undermines achieving shared services at the local level between councils and other public service organisations.

- The focus should be on a few 'pathfinder' initiatives. As we said in our response to the shared services consultation, SOLACE sees itself as having a key role in terms of leadership and would point to the significant influence we have had with Customer First. Three of the Sub-Programme Boards – Definitive National Address Gazetteer; CRM/ Citizens Account; and the Entitlement Card - have all been chaired by SOLACE. We have a track record of ensuring ownership by Council Chief Executives and of making projects happen
- Performance indicators need to be reformed, with an emphasis on the qualitative rather than the quantitative;
- The next best value and community planning audit regime should support and contribute to the following outcomes:
  - Better quality and more efficient (vfm) public services
  - Better joined up service provision ( internal, community and other partners ) that really makes a difference
  - More public confidence in local government
  - Greater council self-confidence in councils' improvement roles
  - Significant reductions in the cost and burden of the regime
- Outcome agreements developed in the context of the community planning process and including local priorities agreed within the partnership, as well as covering the shared national priorities, are worthy of further exploration.
- We strongly support the current review of inspection, regulation and auditing procedures. The focus should be on meaningful outcomes for our communities and the removal of unnecessary bureaucracy.
- Councils currently receive funding from a variety of funding sources. A recent report by Audit Scotland, "Community Planning: An Initial Review", draws attention to the fragmented nature of Scottish Executive funding streams which creates an administrative burden for Community Planning Partnerships. They estimate that in 2005/06 there were 42 different streams, totalling £685.1m and emphasise that this is outwith the core funding of the partner organisations. This is bureaucratic and leads to a proper lack of accountability.
- Effective partnership working must be achieved, in the context of community planning, as the process through which public sector organisations work together and with local communities, the business and the voluntary sectors, to identify and solve local problems, improve services and share resources. We recognise the significant changes in culture, behaviours and leadership which this implies for all of the public sector.
- Consideration should be given to the extent to which funding might be allocated directly to community planning partnerships to provide maximum benefit.
- We would support incentive grants for improving and effective councils.
- The issue of capacity requires attention, ideally with finance being made available on a spend-to-save basis.
- Councils should give further attention to political structures and decision-making processes, and the interface between management and elected members should be reviewed.

## JOINING UP AND MINIMISING SEPARATION

- Audit Scotland published their report “Community Planning: An Initial Review” in June 2006. This looks at the early progress made by community planning partnerships since the Local Government in Scotland Act 2003 was introduced. It highlights the following characteristics of effective CPPs:
  - Committed leadership among all partners
  - A citizen focus to their work
  - A shared vision for the area
  - Clearly resourced action plans
  - Clear performance management arrangements.

SOLACE supports the findings of this report, and in particular the use of the evaluation framework contained in it.

- This approach requires partnership between the community and key agencies such as the Council, the Local Enterprise Company, the National Health Service, the Police, Communities Scotland, the voluntary and the private sectors, to deliver the necessary resources. It is therefore very much about achieving an appropriate and effective balance between the “top down” and the “bottom up”.
- It is not further legislation which is required to deliver more effective partnership working. It is emphasis on the fact that the whole public sector – and not just councils -already has statutory duties in respect of community planning, and that public sector bodies will be held to account for delivery of community planning.
- SOLACE supports building on councils’ democratic mandate and community leadership role, with involvement in scrutiny arrangements.
- Given the emphasis on community planning, it seems strange to have, on the one hand, community justice authorities set up with no reference to community planning and, on the other, community health partnerships with a clear link to community planning partnerships.
- It would be very helpful if the Scottish Executive could articulate, say, its top ten priorities and expect these to be delivered via community planning partnerships in ways suited to the local context. At present, the partnership agreement gives the impression of everything being a priority.
- Joint Boards for Police and Fire operate effectively. Legislation should assist a similar approach with other services.
- An attempt should be made to adopt a Scotland-wide approach to e-government. The model which has been used for the national entitlement card – ie a template + options approach – may point the way for what is admittedly a much more complex exercise. If there is not a measure of national intervention, we run the risk of getting into a position where information cannot be shared across geographical boundaries.

## STRENGTHENING ACCOUNTABILITY

We welcome the thrust, principles and aims of this chapter.

- We recognise that the high level nature of the discussion paper militates against covering each area of public service in any detail. We welcome the commitment to review the current arrangements to strengthen accountability at all levels and would strongly recommend that any review should have regard to the very different contexts and structures that exist in Scotland's public sector. The roles, responsibilities and accountabilities of elected members, board/commission members and their officials vary considerably. For example, an elected member in local government is now accountable to the electorate for the council's actions and decisions, to the Standards Commission for personal actions and behaviour, and to the Accounts Commission for Best Value and financial propriety. Members of SE appointed bodies such as NDPBs are arguably subject to much less scrutiny. Accountable Officers in Government Departments, Health Boards or NDPBs are directly accountable for their budgets and, in that respect, could be seen as more accountable than their Ministers or members. Council chief executives are, arguably, more visible than Accountable Officers yet have very limited statutory duties, while other senior officers have statutory roles such as the monitoring officer, Directors of Finance and Education.
- Some of the apparent complexities and confusions of these differing accountabilities are being addressed through community planning. We would encourage the Scottish Executive to continue to support the development of community planning and ensure that any review of accountabilities has regard to the changes already in train, possibly seeking to reinforce them and speed up change through further legislation if appropriate.
- We are supportive of the position adopted by CoSLA where they identify three accountability arrangements in a context where "elected members act strategically by providing vision and direction at a Council wide level, and through local leadership by representing the needs and wishes of the communities which elected them": ie
  - The Council is responsible for direct service provision;
  - Partnership arrangements; and
  - An extended scrutiny role for elected members – increasingly playing their part in exposing other functions to local democratic accountability.
- At the most strategic level, we would strongly recommend that any review of accountabilities should be set the context of a wider review of

the public sector in Scotland. We would point to the Review of Public Administration in Northern Ireland as an example of what can be achieved from a comprehensive look at what the public sector should be doing, and how best it can deliver.

- We would also advise that any review should start with a set of agreed principles for the public sector, with particular emphasis on the relationship between the 2 democratically elected tiers of Government in Scotland. We would be happy to liaise with SE in preparing for and contributing to the work of any strategic review of the Scottish public sector.
- Para 71 – we agree that “more needs to be done if the general public are to feel that services are demonstrably accountable” and emphasize that this can only be done if the issues noted above under context and structures are properly addressed. Current work on outcome agreements should yield simpler, more comprehensible indicators of performance.
- Paras 72 – 75 – We welcome the commitment to empower existing democratic representatives and more especially avoid unnecessary elected tiers. We see community planning as the way to do this and enable councils and members to “act as advocates and guardians for their local communities”. We believe councillors should be given a greater role and that community planning is the immediate and obvious way of achieving that aim. Further improvements will flow from clearer, more strategic outcome agreements based on a few key performance indicators. These issues should be included in any strategic review. In addition, if councils are to be given greater influence over services delivered by other bodies there may be a need to review the guidance to councillors on membership of outside bodies to avoid perceptions of conflict of interest.
- Paras 76-78 – we endorse the aim to improve performance measures and suggest that the extension of Best Value across the public sector would be a major contribution to this. As noted above, we accept the need to strengthen accountabilities for senior managers in the public sector provided any new arrangements have proper regard to the context and structures within which any manager operates. We would hope that any strategic review would deliver more cohesive and comprehensible accountabilities for senior managers across the public sector. We acknowledge that there “should be proper sanctions when managerial authority is not exercised. This issue should be covered in any strategic review. There needs to be a clear, comprehensive and fair process for reaching judgements on whether senior managers have exercised their authority properly before any sanctions are considered, and sanctions should be proportionate.
- With regard to the matter of strengthening the accountability of Chief Executives and senior managers, our view is that accountability can be

strengthened only if meaningful, measurable outcomes can be agreed – and this applies to the organisation as well as individual managers. Best Value is driving improvements in this regard in councils and could have a similar impact across the public sector. Accountability for managers could also be improved if the current variances across the public sector (eg in respect of appointment procedures) could be reduced.

- We would suggest that the development of strong, consistent and non-bureaucratic systems which will both improve the reporting to the public of the performance of public bodies, and ensure that customer satisfaction and user experience are measured and used to drive improvement should be founded on the basic principles of Best Value. These include stakeholder consultation, benchmarking and continuous improvement. Councils have been working with the Scottish Executive and Audit Scotland for nearly ten years developing Best Value systems, including ever more rigorous and public scrutiny and performance reporting. We suggest that the Scottish Executive should support the continued development of Best Value and apply it throughout the public sector.

## **STRUCTURES, OUTCOMES AND PEOPLE**

- Outcome agreements are attractive in comparison with current bureaucratic arrangements in respect of initiative funding; indeed in the view of many Chief Executives, outcome agreements are seen as the only way forward.
- To incentivise success, emphasis should be laid on achieving ownership of the agenda and on changing the culture of the public sector partners, preferably with joint training. The partners and their staff must want to improve, and they must be prepared to share good practice.
- A move to a single public sector inspection agency, and to a single public sector improvement service should be given very serious consideration.
- It could be argued that structural change would deliver economies of scale. However, in our view, the biggest savings will be made through cultural change and partnership working.
- The public also have to own the agenda. A communication strategy which sets out the direction of travel for the public will be essential. “Delivering for Health” sets out the direction of travel for the National Health Service, but this can be interpreted flexibly to suit local circumstances, with a partnership approach aimed at ownership of the agenda. What is needed now for the public sector generally is a similar approach – not one size fits all - a clear but flexible direction of travel, built on ownership of the details of the journey.

ABW/ 11/06