

EAST AYRSHIRE COUNCIL

CABINET – 9 NOVEMBER 2011

COMMISSION ON THE FUTURE DELIVERY OF PUBLIC SERVICES

Report by the Chief Executive

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to advise Cabinet of the findings of the Commission on the Future Delivery of Public Services, and to consider what this means for East Ayrshire Council and our Community Planning Partners. Members are also asked to agree that a Members seminar should be arranged in 2012 to discuss the implications of the report in more detail.

2. BACKGROUND

- 2.1 In November 2010 the Scottish Government launched the establishment of a high-level Commission to examine how Scotland's public services can be delivered in the future to secure improved outcomes for communities across the country.
- 2.2 The Commission was chaired by Dr Campbell Christie CBE, former General Secretary of the STUC and President of the Scottish Council for Development and Industry since December 2009. Dr Christie was joined by nine other members, drawn from a range of backgrounds and representing a wide spectrum of knowledge and expertise.
- 2.3 The Commission on the Future Delivery of Public Services, also referred to as the Christie Commission, set out to produce a 'road map' for the future reform of public service delivery in Scotland, with the intention that its recommendations will inform work to reform public service delivery in Scotland over the coming 5 to 10 years.
- 2.4 In fulfilling its remit, the Christie Commission sought to address three broad questions, as detailed below:
- How best can our public services achieve positive outcomes for and with the people of Scotland?
 - How best can wider organisational arrangements (including functions, structures and processes) support and enable the delivery of effective services?
 - What shared values and ethos should underpin Scotland's public services, and how best can they be embedded in the delivery of public services in the future?

2.5 The Commission issued a call for evidence in December 2010 in order to gather a comprehensive body of information and evidence about the current operation of Scotland's public services and possible options for the future. Over 200 responses were received by the Commission and over 60 discussion events and meetings were held with various organisations and individuals. The Commission reported its findings on 29 June 2011.

3. EAST AYRSHIRE COUNCIL'S SUBMISSION

3.1 The Leaders of East Ayrshire, North Ayrshire and South Ayrshire Councils agreed at a meeting of the Ayrshire Shared Services Group in December 2010 to develop a joint response to the Christie Commission. Further, the three Council Leaders recognised that there were some areas where it would be beneficial to add to the joint response, some supplementary comments specific to each Council.

3.2 The joint response was very clear about the strategic issues which required to be considered, and included commentary on the following important topics:

- Early intervention;
- Narrowing inequalities;
- Focussing on outcomes;
- Building on Community Planning/Partnership working and moving beyond service and sector boundaries;
- Approaching collaborative working in a structured and evidenced based way;
- Supporting disadvantaged and vulnerable people; and
- Building capacity in local communities and empowering individuals.

3.3 The supplementary report highlighted, in particular, our work with Community Planning Partners, the impact of poverty and deprivation, our consultation arrangements and our work with NHS Ayrshire and Arran in relation to health and social care.

3.4 In relation to health and social care, the transformation plan, now approved by the Scottish Government, sets out for East Ayrshire Community Planning Partnership an investment and implementation strategy to utilise the resources allocated through the Change Fund in support of further progressing the Reshaping Care agenda. The plan includes the development of 'Single Point of Contact Hubs' which will drive the redesign of services with Council employees and NHS colleagues being brought together in an integrated service with an aspiration for early movement towards joint management.

3.5 It is clear that many of the themes within the Council's submission agreed by the Council on 24 March 2011 are included in the final report of the Commission's work.

4. REPORT ON THE FUTURE DELIVERY OF PUBLIC SERVICES IN SCOTLAND

- 4.1 The findings of the Commission were eagerly anticipated by all areas of the public sector in Scotland, none more so than local government. The report of the Commission's work was published on schedule on 29 June 2011.
- 4.2 The report describes the challenges facing our public services and sets out what it believes are the priorities and recommendations in relation to the way forward for the reform of public services.
- 4.3 The report notes that 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 40 per cent of all spending on public service is accounted for by interventions that could have been avoided by prioritising a preventative approach. The failure to prioritise preventative measures is a weakness which helps trap individuals and communities in a cycle of deprivation and low aspiration.
- 4.4 The report is based on four key objectives of reform and a brief summary of the findings under each objective, is provided below.

Public services built around people and communities

- 4.5 One of the key messages of the report is the need for people, communities and services to collaborate to build services around communities and to achieve positive outcomes.
- 4.6 Research evidence and submissions to the Commission suggested that public services can become more efficient and effective in working collaboratively to achieve outcomes, focussing 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.
- 4.7 The report notes that rather than treating symptoms, it is possible to treat the root and long term causes of problems, driving demand out of the system, by adopting positive approaches which do things for and with people rather than to them.
- 4.8 Examples of personalisation and self directed support are given within the report; however, it is noted, that although there is growing evidence that these approaches are effective in meeting people's needs, the 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.

Working together to achieve outcomes

- 4.9 The report highlights that despite efforts to encourage an ‘outcomes based approach’ among public service organisations, evidence shows that the wider system of governance and organisation of public services still does not fully embrace this approach, and that barriers exist which impede the ability of public services to work together to focus on achieving outcomes.
- 4.10 Effective, locally integrated service provision is crucial to the achievement of outcomes, and local authority area level partnership is crucial to the development of integrated service provision. The report states that 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.
- 4.11 The report states that the involvement of people and communities in the design and delivery of services should be built into the operation of local partnerships. It also notes that arrangements for direct public accountability provide an opportunity for locally elected members 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.
- 4.12 The Commission supports the argument put forward by the National Community Planning Group that a suite of powers and duties should be applied to statutory public service organisations on a common basis and recommendations in this regard are specified within the report.

Prioritising prevention, reducing inequalities and promoting equality

- 4.13 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.
- 4.14 The report recognises that reactive approaches are heavily resource intensive and represent lost opportunity to have a more transformative impact.
- 4.15 In the submissions received by the Commission, 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 such, the Commission states that prevention is such a significant issue for the future delivery of public services that further, more specific steps should be taken.
- 4.16 In particular, action to prioritise prevention, needs to be accompanied by specific action to tackle inequalities.

Improving performance and reducing cost

- 4.17 The report states that to improve performance and reduce costs, and continue to secure public confidence, 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.
- 4.18 In particular, in order 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 co-ordinated multi-agency strategies and collaboration with individuals and communities.
- 4.19 Clarity about outcomes is a vital element in improving public services, and to promote collaborative performance, the Commission believes national and local government need to ensure robust scrutiny of performance, cost and outcomes.
- 4.20 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.
- 4.21 The Commission also calls 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; cover a minimum of three years, and are informed by credible analysis that illustrates the long term fiscal consequences of current approaches.

Criteria for Reform

- 4.22 The report states that any 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.

4.23 These criteria could form the basis of any proposals for the reform of services within the Council and should be linked clearly to the Best Value Service Review Process.

5. COMMENTARY

5.1 The following paragraphs provide an overview of some of the initial reactions to the Christie report.

Scottish Government

5.2 John Swinney, Cabinet Secretary, responded to the publication of the Christie Commission positively stating that *"...the Christie Commission's report is both timely and important. It recognises that much has been done, but rightly argues that further fundamental reforms must now be considered and urgently progressed."*

5.3 The Scottish Government has set up a Cabinet Sub Committee on public service reform to take forward the Government's plans, while ensuring that a co-ordinated view is taken.

COSLA

5.4 COSLA warmly welcomed the report and the Commission's recognition of the link between circumstance and demand for services. In particular, COSLA highlighted support for the recommendations around increasing spend on prevention and ensuring a focus towards integration, decentralisation and localism.

5.5 The press statement notes that while it is traditional to wait for a Government response before any such recommendations are implemented, COSLA supports the report to such an extent that they will be moving forward immediately to do *'what we can at our own hand'* to act in the way that the Commission suggests. The statement notes the following points in particular:

- We will strengthen community planning and make it more accessible to communities;
- We will focus more of our spend on early intervention rather than solving problems that have already occurred;
- We will continue with the sectoral reform that we have started; and
- We will benchmark improved performance to ensure best practice is shared.

Professional Bodies

5.6 The Chair of SOLACE Scotland responded on behalf of SOLACE and a number of other bodies, including the Association of Chief Police Officers in Scotland; Association of Directors of Education; Association of Directors of Social Work; Chief Fire Officers Association and CIPFA Directors of Finance. Key messages from the press release are provided below:

"We welcome the fact that the Christie Commission is highlighting the urgent need for reform to deliver better outcomes for Scottish people...We are particularly pleased that the Christie Commission has recognised the importance of putting people at the centre of how public services are designed and delivered... The public sector is ready for this challenge and, in many areas, we are already working towards these goals with our partners."

Third Sector

5.7 The Scottish Council for Voluntary Organisations (SCVO) welcomed the Christie Commission report and the emphasis on putting people first. The Director of Public Affairs for the SCVO said:

"The Christie report reinforces the call to radically reform our public services in order to tackle rising demand, growing inequality and existing inefficiencies. Adopting a prevention approach is the only way forward. There is no other option but to take forward reform. There can be no more excuses. Now is the time to make change happen."

6. SCOTTISH GOVERNMENT SPENDING REVIEW 2011

6.1 On Wednesday 21 September 2011 the Scottish Government published the 'Scottish Spending Review 2011 and Draft Budget 2012-13'. Alongside the Spending Review, the Scottish Government also published 'Renewing Scotland's Public Services: Priorities for Reform in Response to the Christie Commission.'

- 6.2 The document reaffirms the Scottish Government's initial positive response to the Commission's report and sets out four pillars to their approach as follows:
- A decisive shift towards prevention;
 - Greater integration of public services at a local level driven by better partnership, collaboration and effective local delivery;
 - Greater investment in the people who deliver services through enhanced workforce development and effective leadership; and
 - A sharp focus on improving performance, through greater transparency, innovation and use of digital technology.
- 6.3 The Scottish Government Spending Review included resources for three new funds to support preventative spending including a continuation of the Change Fund for older people's services, an Early Years and Early Intervention Change Fund and a Reducing Reoffending Change Fund.

7. A ROADMAP FOR CHANGE: MAKING CHRISTIE A REALITY

- 7.1 On Friday 7 October Councillor Robert McDill, Spokesperson for Delivering Community Regeneration; Katie Kelly, Section Head of Leisure and Recreation; and Pauline Minnery, Policy and Project Development Officer represented the Council at the Holyrood Conference 'A Roadmap for Change: Making Christie a Reality'.
- 7.2 The event included 21 speakers over four sessions. Each of the sessions had a particular focus and provided the opportunity to hear from a range of speakers followed by questions and answers. A brief overview of each session is provided below.

A New Public Sector Landscape

- 7.3 After an opening discussion on the general thinking and approach of the Commission with Professor Drew Scott, an expert adviser to the Commission, John Swinney, Cabinet Secretary for Finance, Employment and Sustainable Growth addressed the event. He described the Scottish Government's four pillar approach to reform, as outlined at 6.2 above, and emphasised that we can not continue as we are; we must find better ways to utilise our money to achieve the positive outcomes we would want to see.

Challenging Times Require Radical Solutions

- 7.4 The second session provided a brief overview of some alternative models of delivery and examples of where these are being taken forward, including social impact bonds, social enterprises, and joint ventures.

Learning from our Neighbours

- 7.5 Overviews were provided by a range of speakers on work that has been undertaken, or is underway, across England, Wales, Northern Ireland and Scotland. The key point taken from this is that there are lessons which can be learned beyond Scotland and we have to ensure that we keep abreast of developments across the United Kingdom.

Making it Happen

- 7.6 The final session provided the opportunity to hear from a panel of speakers regarding what they perceive to be some of the main issues. This included partnership working, integrated Health and Social Care, workforce issues, and the move to prevention.
- 7.7 There was an overriding feeling from the speakers at conference that radical change has to happen within public services. Importantly we have to ensure that the Christie Commission does not become another piece of work which is forgotten about, as the Christie Commission report states:

“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.”

8. KEY AREAS OF REFORM

Health and Social Care

- 8.1 Prior to the Scottish Parliament elections in May 2011, the SNP Government outlined proposals to deliver a single integrated system of health and social care across Scotland, favouring a ‘lead commissioning’ model with Councils and NHS working together far more closely.
- 8.2 The Scottish Budget included an announcement that there would be a Change Fund to support better integrated older people's services delivered by health boards, councils, and the third and independent Sectors.
- 8.3 In respect of the change fund, £70m was allocated in 2011-12, with East Ayrshire allocated £1.648m. In confirming the release of Change Fund monies to all partnerships, the Ministerial Strategic Group for Health and Community Care commented that overall, partnerships have made a strong start and their Plans provide a good platform for progressing local Reshaping Care programmes. Implementation is now under way.
- 8.4 Further work is planned as part of stage two of the Reshaping Care programme to more accurately establish funding and demographic projections for future years. Advice on this will follow in autumn 2011, taking account of wider developments both in Scotland and at UK level on the future funding of care and support.

Police/Fire and Rescue

- 8.5 The Scottish Government has confirmed that it will move to create a single police service and a single fire and rescue service. Proposals on the future shape of Scotland's Police and Fire and Rescue Services were announced in a Parliamentary Statement by the Cabinet Secretary for Justice on 8 September 2011.
- 8.6 The Scottish Government has published a consultation paper and Outline Business Cases. The eight week consultation sets out proposals on how the new single Scottish services will work in practice, and seeks views on the detail of the new structures. The consultation closes on 2 November 2011.

McClelland Review

- 8.7 A review of public sector ICT infrastructure carried out by John McClelland recommends an overarching national ICT strategy to address national needs and that each part of the public sector, such as universities or councils, should move to shared procurement and use of ICT. The review was published in June 2011 and Scottish Government Ministers are currently considering the findings.
- 8.8 The report states that the public sector in Scotland invested at least £1.4 billion on ICT in 2009, 60 per cent of it external spending with industry, and there are 6,200 people involved in ICT across the public sector.
- 8.9 There is likely to be a focus on breaking down organisational barriers to deliver better public services that focus on users while getting the best value for money.

Open Public Services

- 8.10 The scope of the UK Government's White Paper 'Open Public Services' states that it is UK wide, but notes that in devolved areas of policy, such as health, education and local government, it is for the devolved administrations to determine their own approach to reform.
- 8.11 It is important that Members aware of the content of the white paper. The white paper sets out five principles for modernising public services. These are as follows:
- Choice – wherever possible we will increase choice;
 - Decentralisation – Power should be decentralised to the lowest appropriate level;
 - Diversity – Public services should be open to a range of providers;
 - Fairness – We will ensure fair access to public services; and
 - Accountability – Public services should be accountable to users and taxpayers.

8.12 The paper recognises that there is no ‘one size fits all’ approach to reform but has identified three different categories of public service:

- Individual services – these are personal services – for example in education, skills training, adult social care, childcare, housing support and individual healthcare – that are used by people on an individual basis;
- Neighbourhood Services – these are services provided very locally and on a collective, rather than an individual, basis – such as maintenance of the local public realm, leisure and recreation facilities and community safety;
- Commissioned Services – these are local and national services that cannot be devolved to individuals or communities, such as tax collection, prisons, emergency healthcare or welfare to work.

9. MOVING FORWARD WITH REFORM IN EAST AYRSHIRE

9.1 We know that standing still is not an option. In order to achieve sustainable improvements, we have to recognise the importance of change. It is essential that, together with our partners, we are proactive and take early steps to ensure that we determine our own fate.

9.2 There is a significant amount of work already being taken forward in East Ayrshire which links to the general themes and specific recommendations of the Commission.

Health and Social Care

9.3 One of the principal areas of change within East Ayrshire is in relation to health and social services. The work being taken forward was set out within the Council’s supplementary paper in the submission of evidence to the Commission, and action in respect of Change Fund initiatives has already been covered at Paragraphs 8.3 and 8.4 of this report.

Transforming our Relationship with Our Communities

9.4 Work is underway to review how we transform our relationship with the communities we serve. Workshops have been held with the Extended Management Team and Elected Members, and further sessions have been arranged for employees and community representatives. Some of the key questions being addressed include the following:

- How do we identify and reduce ‘failure demand’ (demand that could have been avoided with earlier preventative action) within our services?
- How do we make preventative investment and reduction of inequalities central to the work of our services and to the vision of our organisation?
- Using the principles of Co-production identify assets (people) which are available within services and outline ways that all services could support and enable the re-focused way of working with our communities in relation to Community Space, Community Activities and Services and Community Empowerment and Engagement?
- How do we manage the transformation with the organisation?

Outcome Based Budgeting

- 9.5 The Corporate Management Team has approved a project brief to take forward, internally, research into priority/outcome based budgeting. This is a logical step in terms of building on the Council's progress in relation to outcome based planning.

Shared Services

- 9.6 Since it was established in 2006, the Ayrshire Shared Services Executive has been driving and delivering shared services. The Group includes the Leaders and Chief Executives of the three Ayrshire Councils and the Chief Executive and Chair of NHS Ayrshire and Arran.
- 9.7 A Project Board was set up in 2010 to drive forward, the shared services agenda in light of the challenging financial climate facing the public sector in Scotland and the UK. The Board directs further work on services or parts of services which might be suitable for joint delivery.
- 9.8 Building on the success of partnership working, partners within the East Ayrshire Community Planning Partnership have agreed a number of shared commitments. These include commitments around shared management arrangements; shared premises; rationalisation of plans and structures; joint consultation and engagement; joint training and joint information sharing.

Management Review Programme

- 9.9 The Council's management review programme is well underway. Cabinet on 26 January 2011, and subsequently Council on 10 February 2011, agreed to a review programme which facilitates the review of the Council's management arrangements over the course of 2011. At the same meetings, the guiding principles that will be used to challenge existing management arrangements and shape future management structures across the Council were also approved.
- 9.10 Progress on the management review programme was reported to Cabinet on 22 June 2011, which reported progress in respect of IT and Asset Management, Planning and Economic Development and Finance. Savings identified within these three services alone are in excess of £1 million. Since then management reviews have also been completed in respect of Legal, Procurement and Regulatory Services, Policy, Planning and Performance, and Roads and Transportation.

Joint Management/Extended Management Team

- 9.11 A Joint Management meeting was held which brought together the Corporate Management Teams of the three Ayrshire Councils to discuss a number of topics, including the Christie Commission report, and we would seek to repeat such events in support of the shared services agenda.

10. CONCLUSIONS

- 10.1 The report sets out the findings of the Christie Commission and provides an overview of some of the reform already underway within Scotland and within East Ayrshire. The Council is well placed to respond to actions identified by the Scottish Government in the next parliamentary session as they identify the way forward for public sector reform.
- 10.2 It is more important than ever that in all our work we are prepared to be flexible and responsive. The recommendations of the Christie Commission have been widely accepted and the Scottish Government's proposals for reform are consistent with the recommendations made within the Commission's report.

11. RECOMMENDATIONS

- 11.1 Cabinet is asked to:
- (i) agree that a Members seminar to discuss the implications of the Christie Commission report should be arranged in 2012; and
 - (ii) otherwise, to note the content of this report.

Fiona Lees
Chief Executive
1 November 2011

Any person seeking further information on this report should contact Alex McPhee, Executive Director of Finance and Corporate Support on (01563) 576279.