

# Public Document Pack



7 September 2010

A meeting of the **CPP MANAGEMENT COMMITTEE** will be held in the **MID ARGYLL COMMUNITY HOSPITAL LOCHGILPHEAD** on **WEDNESDAY, 8 SEPTEMBER 2010** at **10:00 AM**.

## **AGENDA**

### **4. SINGLE OUTCOME AGREEMENT**

- (a) ANNUAL REPORT - Jane Fowler (Pages 1 - 4)
- (b) INDEPENDENT BUDGET REVIEW - to follow (Pages 5 - 8)

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**Argyll and Bute Community Planning  
Partnership**

**Management Committee  
8 September 2010**



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## **SINGLE OUTCOME AGREEMENT ANNUAL REPORT**

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### **1. Summary**

- 1.1. The Council as the lead agency for Community Planning has a duty to coordinate and report on the Single Outcome Agreement (SOA). The Scottish Government has issued guidance that the annual report for 2009/10 should be submitted by 30<sup>th</sup> September 2010.
- 1.2. This report presents the progress being made by partners on delivery of the SOA and developments being made in partnership working to facilitate a more partner based approach to service delivery.

### **2. Recommendations**

- 2.1. It is recommended that the Management Committee:
  - Agree the proposed format for the Single Outcome Agreement report
  - Consider pursuing a budgeted SOA with partners for future years
  - Agree to accommodate partner updates to the report prior to its submission to Scottish Government
  - Agree to the finalised report being forwarded to the Scottish Government by 30 September 2010.

### **3. Detail**

- 3.1 The Argyll and Bute Single Outcome Agreement was approved in 2009. It identifies a series of local outcomes that contribute to the 15 national outcomes set out by the Scottish Government. These local outcomes relate to the priority themes of the Community Plan:
  - Outstanding Environment
  - Vibrant Communities
  - Forward looking
- 3.2 The Single Outcome Agreement binds partners in a joint agreement to deliver services collectively in the best interests of the communities and individuals in Argyll and Bute. Identifying clear measures that facilitate that approach has been challenging, but is enabling a picture to emerge of service provision across the area and highlighting areas where joint working could be strengthened to improve services.
- 3.3 The SOA does not currently identify public sector spend in any of the service

areas and this is an area where, if the partnership is to shift towards real and integrated service delivery, further development is required in the longer term.

- 3.4 Scrutiny of SOA performance is undertaken quarterly at the Community Planning Management Committee. Data collected, however, often demonstrates a time lag where, for example, national statistics are collected on a 3 yearly basis. This presents a challenge when planning action to take in managing the issue and the impact of those actions.
- 3.5 There are some significant areas of achievement in progress on the SOA, with key successes in increased spend in the area as a result of Homecoming, renewable energy developments, continuing reduction in fatal and serious road casualties, increases in recycling and the implementation of curriculum for excellence.
- 3.6 Areas of challenge are emerging in areas such as the net out migration of young people from Argyll and Bute, reduction in business VAT registrations. These are issues that are also being experienced in other areas.
- 3.7 The budget situation will have a significant impact on the planning of services, with the Council already having identified a funding gap of between £9m and £13m over each of the next 3 financial years. Joint working with partners and close engagement and involvement with communities will be essential to minimising the impact on communities. (see 3.10 below).
- 3.8 The Independent Budget Review identifies the need to move towards a more outcomes-based approach to public service management and to improve the quality, availability and application of evaluation, monitoring and reporting data and information in relation to outcomes across the public sector in order to ensure that resources are applied to full benefit. This emphasises the need for the partnership to continue to improve the Single Outcome Agreement as a tool to plan, manage and scrutinise service delivery performance in Argyll and Bute.
- 3.9 The Partnership has made changes over the past year in developing the structure of partnership groups to support better integration and delivery of services as well as improved local consultation and engagement in the planning process.
- 3.10 The development of an Executive Sub-Group of public sector partners has been established by the Community Planning Partnership to facilitate early discussions at a strategic level between the key public sector partners. This group is exploring public sector spend issues at an early stage, considering actions such as shared services, shared accommodation and potential cross service budget implications. The group reports regularly to the Management Committee on progress.
- 3.11 The development of Local Area Community Planning Groups is resulting in a closer liaison with partners in the local level and the development and prioritisation of outcomes in the local areas. These groups are still at a

developmental stage and continued work is required by partners to support and encourage active participation and contribution to our outcomes. Local partners in some areas are keen to contribute to outcomes achieved, particularly from the 3<sup>rd</sup> sector. Although this is still at an early stage, it demonstrates in some areas a clear understanding and buy-in by partners at a local level to delivering jointly on outcomes.

- 3.12 Community Engagement is closely aligned to the Local Area Community Planning Groups, where consultation and engagement on activities and service priorities is supported. The Community Engagement Strategy and Framework, approved in June 2009 sets out clearly the commitment being made by partners to stakeholders and the communities on engagement. Working with the Scottish Government's Better Community Engagement Project is supporting a best practice approach to engagement and bringing challenge to our approach.
- 3.13 The progress made in establishing a 3<sup>rd</sup> sector partnership enables the partnership to identify the capacity building needs of the community and coordinate delivery of that support. Specifically in the social enterprise sector the Argyll and Bute Social Enterprise Network is working closely with the Council's recently established social enterprise team. This coordinated approach will strengthen the sector's skills base and facilitate effective opportunities for service delivery to move to 3<sup>rd</sup> sector delivery. The Council has identified a 3<sup>rd</sup> sector spokesperson and is working closely with Carnegie Trust to build capacity in the sector.
- 3.14 The Council's current approach to its overall budget consultation, bringing the big issues to the local table and encouraging wide feedback is a clear example of strategic community leadership and engagement. The Forward Together events, held in each of the 4 local areas and planned for regular implementation have focussed on identifying priorities for each of the areas amongst Community Groups. These priorities are being considered as part of the Local Area Plans and will contribute to focussing on the local contribution to agree outcomes. The next series of events will consider the budget situation in greater detail, with an opportunity for further discussion, debate and comment on the proposed budget cuts and managing the impact on local areas.
- 3.15 A number of other key consultations about service delivery have taken place in 2009/10 including the redesign of mental health services and the review of learning disability. In addition to the target stakeholder groups, the Local Area Community Planning Groups have been a focus for discussion on the impact of service change at a local level.
- 3.16 The Thematic Groups based on joint delivery of the key themes in the Community Plan have had some successes in identifying and delivering on shared outcomes. All are heading towards clear and planned joint outcomes.
- 3.17 In strategic terms, the Partnership is considering a revised vision '*Realising our Potential, Together*' which articulates our joint responsibility to deliver

services in partnership with our communities. This is currently being consulted on in Local Area Community Planning Groups and is receiving positive feedback.

- 3.18 This revised vision will be accompanied by a set of shared values for partners stating our commitment to the way that we go about service delivery in our communities.
- 3.19 A further strategic action, as identified in the Community Planning Action Plan will be the amalgamation of the Community Plan and the Single Outcome Agreement. This will result in a simplified approach to identifying local outcomes and measuring success.
- 3.20 The Council, in line with reviewing its Corporate Plan, will lead the Partnership in this review process and articulate its own commitment to achieving our local outcomes through our Planning and Performance Management Framework.

#### **4. Conclusions**

- 4.1 The Argyll and Bute Community Planning Partnership is progressing well in its implementation of the Single Outcome Agreement, with areas of success in service outcomes.
- 4.2 The continued improvement, review and engagement will enable the Partnership to continue developing a joint approach to achieving local outcomes, an approach which is vitally important as the public sector financial challenge takes effect.

#### **5 IMPLICATIONS**

PERSONNEL	None
POLICY	None
FINANCIAL	The Single Outcome Agreement sets the framework for services delivered in Argyll and Bute in accordance with budget allocations.
EQUALITY	None
LEGAL	None

For further information, please contact:

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**Argyll and Bute Community Planning  
Partnership**

**Management Committee  
8 September 2010**



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**INDEPENDENT BUDGET REVIEW & BUDGETARY ISSUES FOR A&B CPP**

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**1 INTRODUCTION**

- 1.1 The report provides a briefing for the CPP Management Committee on some of the key budgetary challenges facing public sector partners within the CPP, the action being taken in response to these and some of the key points from the Independent Budget Review.

**2 RECOMMENDATION**

- 2.1 That the Management Committee agree to the CPP Executive sub group consider the IBR recommendations and report back to the Management Committee.

**3 DETAIL**

- 3.1 The CPP has previously agreed a community plan and SOA. However the financial circumstances in which the CPP operates have changed significantly since these were last agreed. Whilst the private sector / general economy may be moving out of recession nearly all parties agree we are heading for a sustained period of significant reductions in public sector funding. This will have an impact on each of the public sector bodies within the CPP and also those who receive services but also it will have an impact on the economy within the area as money spent with local organisations decreases. Given the dependency of the economy in Argyll & Bute on the public sector this represents a risk to the economic well being of the area.
- 3.2 Public sector partners are committed to working together to leverage the maximum benefit from joint working / shared priorities to improve the economy and effectiveness of services, to help minimise the impact of reduced budgets on service delivery and to minimise any negative economic impacts.
- 3.3 The scale of the budget reductions will not become clear until later in the year and each partner has a slightly different approach and timescale for being made aware of its exact financial allocation. However the Scottish Government, as referred to in the Independent Budget Review, forecast a cash reduction of 3.9% in budget between 2010-11 and 2014-15 which is equivalent to a reduction in real spending power of 12.5% over the same period. The impact on each of the partners and the distribution

across the years will not be known until later. A decision to protect any one area will have the effect of increasing the budget reduction in other areas.

- 3.4 Within the CPP public sector partners are currently working on a number of pieces of work to support the development of the response to the budget reductions:
- A report on agreed budgets for 2010-11 and the impact of these on the Community Plan along with quarterly reporting of budget outturn for 2010-11 will provide a baseline.
  - Each partner is being asked to develop a 3-5 year scenario that identifies implications for the Community Plan and this will give the CPP a feel for the risk to the Community Plan of the budget reductions.
  - Reports on cost pressures, the 2011-12 budget strategy and mapping of costs will begin to assist in identifying of way forward for the CPP.
  - Mapping of asset base, procurement arrangement staffing as well as budgets will help to scope out areas where there may be opportunities to improve joint working and reduce costs.
- 3.5 The Independent Budget Review (Beveridge, McIntosh & Wilson) was published in July. Some of the key points from the review are noted below.

### **Public Spending Environment**

- a. “In attempting to achieve a better balanced public sector spending position, the options for increasing revenue (for example through increased taxation) and for reducing public sector expenditure will need to be carefully balanced, not least to avoid damaging economic recovery”.
- b. “Given the scale of the reductions which would otherwise have to be met from ‘non-protected’ areas of public services, the Panel would strongly advocate as an option an approach which would not have an over-riding presumption of whole segment ‘protection’, but which would instead be built upon all services being subject to scrutiny and comparative prioritisation in the allocation of resources”.
- c. “The Scottish Government and Parliament should consider the option of discontinuing the current council tax freeze, which does not appear sustainable in the projected economic environment”.

### **Efficiency**

- d. “The Panel suggests that, in light of the projected financial constraints, the Scottish Government and Parliament should consider:



- (i) revising the current approach of the Efficiency Programme which allows efficiency savings to be retained and recycled with a view to reducing future budget allocations across the public sector to incorporate an assumed annual efficiency saving; and
  - (ii) ensuring that future annual efficiency targets are no less than 2 per cent per annum”.
- e. “The Panel would advocate the implementation of a regular review process of all public bodies which:
  - (i) identifies the need, purpose, cost and value of retaining the public body in that category; and
  - (ii) states specifically why the work must be undertaken by the public body and not by the core Scottish Government, private or third/voluntary sector”.
- f. “The Panel looks to the Scottish Government and Parliament, together with local authorities and leaders of other public bodies, to provide an appropriate level of leadership to ensure that barriers to shared services development are addressed with determination”.
- g. “The Panel believes that the challenges arising from the projected financial outlook should act as a stimulus for the public sector to review its current delivery models, including consideration of alternatives. Looking ahead, the Panel envisages mainstream roles for the private and voluntary/third sectors as collaborative partners in the delivery of public services”.

### **Remuneration and Workforce**

- h. “While pay and recruitment freezes have a critical role to play in constraining growth in the pay bill, they are insufficient on their own, both in terms of scale and duration, to represent an effective response to the forthcoming reductions in public spending in Scotland”.
- i. The Panel recommends that the Scottish Government applies a pay freeze as the first essential step to constrain growth in the public sector pay bill.
- j. “The Panel suggests that the Scottish Government should consider the immediate implementation of a recruitment freeze across the public sector, with exceptions only granted for essential staff posts”.
- k. “The Panel suggests that, if outcomes are to be maintained, the reductions in public sector employment would need to be driven by a set of clear, strategic priorities across all parts of the public sector. One option for the Scottish Government to consider is the rapid development of a clear, strategic and phased workforce plan which sets out a set of priorities/criteria towards which all parts of

the public sector can work”.

### **Universal Services**

- l. “The operation of free or subsidised public services on a near universal basis over the last 10 years has benefited a wide range of people, including those who might have had the resources to fund them themselves. Unfortunately, demography and other drivers are expected to continue to stimulate demand and inflate costs to levels which appear to be unsustainable. The issue is not one of desirability, but of affordability”.
- m. “The Panel suggests that the Scottish Government and Parliament should consider undertaking immediate work to review whether all free or subsidised universal services should be retained in their current form. This work should cover issues such as changes in eligibility and the introduction of charges and ensure that those in greatest need are not disadvantaged”.

### **Capital**

- n. “The Panel suggests that prioritisation of the key strands of capital expenditure, including essential maintenance, should be guided by national priorities and coordinated to ensure that maximum strategic coherence and public value is derived”.
- o. “The Panel suggests that the Scottish Government should take steps now to explore, in liaison with HM Treasury, options for changing the status of Scottish Water that could permit the release of significant capital to the Scottish Government for other projects, while allowing the attraction of private investment and the return of any surplus to the public benefit”.
- p. “The Panel suggests that the Scottish Government should consider the feasibility of adopting road user charging as a means to both better managing the use of the existing transport networks and financing improvements to those networks”.

### **Shaping the Future**

- q. “The Panel also concludes that there is a need to move towards a more outcomes-based approach to public service management and to improve the quality, availability and application of evaluation, monitoring and reporting data and information in relation to outcomes across the public sector in order to ensure that resources are applied to full benefit”