

PUBLIC SERVICE REFORM – THE FUTURE OF COMMUNITY PLANNING

Introduction

1. This paper gives an overview of recent developments in public service reform and sets out the Government's vision for further work in this area. The new working relationship with local government, the introduction of Single Outcome Agreements (SOAs) and the central role that Community Planning Partnerships (CPPs) will be expected to play are discussed.

A new approach to Public Services in Scotland

2. Since May 2007, substantial changes have taken place in Scotland's public sector. Most importantly, the Scottish Government now has a clear Purpose: creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. This is supported by 5 strategic objectives; to be a wealthier and fairer, healthier, safer and stronger, smarter and greener Scotland.

3. The adoption of the Purpose and the objectives creates a new focus for all involved in the delivery of public services. Recognising that each part of the governmental structure needs to make a contribution to all of the strategic objectives, the Scottish Government has adopted a new approach to prioritisation, by ensuring that the 5 strategic objectives are owned by Government collectively and not individual Ministers. The Scottish Budget Spending Review document, published in November, describes how the work of each Ministerial portfolio supports the strategic objectives and explains how the Scottish Government aims to work in a more cohesive and focused way to make the necessary internal links to deliver the overall Purpose.

Putting the right structure in place to deliver the Purpose

4. Increasing sustainable economic growth will not be achieved solely by improving the internal structures of the Scottish Government or adopting the 5 strategic objectives. As well as placing a far greater emphasis on the effectiveness of policy and the prioritisation of money spent to achieve it, the Purpose and objectives will be used to cohesively focus the wider public sector. To support this realignment, the Budget and Spending Review put in place a new performance management framework of national outcomes and indicators. This means that the contribution of all parts of the public sector to these outcomes and indicators can be agreed and measured and overall progress reported.

5. The shared objectives and outcomes are a key component of the new working relationship that has been established with local authorities. As the concordat agreed between the Scottish Government and CoSLA in November makes clear, it is a relationship based on mutual respect and partnership, which underpins the funding to be provided to local government over the period 2008-09 to 2010-11. It provides for the Scottish Government setting the direction of policy and the over-arching outcomes, while standing back from micro-managing service delivery. This is intended to reduce bureaucracy and free up local authorities and their partners to meet the varying local needs and circumstances across Scotland. It is this element of local interpretation that this paper seeks to explore, with particular relevance to the introduction of SOAs and the role of CPPs.

Working in partnership to deliver the Purpose - SOAs

6. The SOA is one of the keys to simplifying and improving the delivery of public services as well as bolstering local decision making and accountability. Under the terms of the Concordat, each council will agree a single Outcome Agreement with the Scottish Government. This agreement will be expected to be in place across all councils for 2008-09. These agreements will be based on the agreed set of national outcomes (underpinned by agreed national indicators), supported by specific local outcomes that reflect the priorities for each Council area. A new reporting system will replace the existing reporting schemes. Under the new proposals, each council will be required to submit a single, annual report setting out its progress against the agreed outcomes and indicators.

7. SOAs bring with them a reduction in ring-fencing of the financial allocation received from the Scottish Government and a rationalisation of the reporting structure. The number of separate funding streams to local government is being reduced from eighty in financial year 2007-08 to fifteen in 2008/09. In total, the current level of ring-fenced specific grants will be reduced from £2.7 billion in 2007-08 to less than £1 billion in 2010-11.

8. The agreements will cover all local government services in each local authority area as well as a significant range of responsibilities of CPPs where local authorities have a part to play. Where SOAs provide a significantly different approach is that they allow for the detail of how the outcomes are to be achieved to be decided on the basis of local circumstances. Initial SOAs will have varying degrees of direct CPP input, which will depend on the local position and the breadth of existing partnership working.

9. Each SOA will include a section for each of the 15 National Outcomes explaining its local priority and where relevant, providing a profile of the local area, drawing on relevant indicators, including the National Indicators and the national menu of Local Indicators. We would also expect the SOA to identify key local causes and past performance trends in local conditions. It will also be important to make cross-references from the National Outcome to policies in the Community Plan and the key plans of the Community Planning Partners, as well as specifying the local conditions for which improved local outcomes are sought.

10. Under each National Outcome, the SOAs will also include local outcomes and indicators, selected by the local authority, designed to give a clear indication to the local community of the priorities for action. Intermediate local outcomes agreed between Scottish Government, the Council and the Community Planning Partners, should be identified in the SOA, along with the indicators by which local outcomes will be tracked, including the relevant National Indicators and relevant Local Indicators from a national menu. For some local outcomes, the SOA may need to identify specific commitments made by Scottish Government, the Council or Community Planning Partners to enable delivery of that particular outcome. Underlying the process is an understanding that achievement of the majority of the outcomes will be dependant on partnership working across Community Planning Partners.

Community Planning

11. The introduction of SOAs, combined with the adoption of a clear Purpose for Scotland's government and the reduction in ring-fencing has therefore created an opportunity for CPPs. Whilst the initial SOAs will be with each of the 32 councils, the concordat makes

it clear that there is the possibility of agreements with CPPs at a future date. The CPP will have a key role in the delivery of any SOA, even if that agreement is legally between the Scottish Government and the local authority. The CPP provides the link between the Council and its partners in aligning national with local priorities and acts as a forum for collaboration around outcomes that cannot be delivered by one agency in isolation.

12. The SOA, when set alongside a reduction in ring-fencing, will allow for maximum freedom in funding decisions at the local level. This will give partners the flexibility to target resources where they identify the greatest need. However, this greater freedom brings with it increased responsibilities. The consequence of consolidating funding streams is that partnerships will need to make choices that will have an impact on mainstream budgets.

13. Significant commitment will be required from each partner to make this new approach work. The CPP must be signed up to the principles of the outcome agreement in order for the Council to be in a position to deliver on the outcomes that the SOA contains. Equally, by entering into an outcome agreement with the Government, the Council is signifying a commitment to partnership working. This point is vital: SOAs mean that partnership working is no longer one alternative method of delivering public services; it is a necessity if the complex problems facing Scotland's communities are to be addressed.

14. Working effectively in this way requires a clear vision, mature leadership and a high level of trust. Led from the top, organisations need to change their cultures, breaking down barriers between services and partners. To help this process, CPPs need to take a corporate role, commissioning new work where necessary and holding each other to account for progress.

15. CPPs are already making a difference to some communities, as examples from around the COHI area demonstrate. However, the real test for public services is the difference they make to the lives of all the people who use them. CPPs should measure themselves by the improvement they make for the communities they serve.

16. If the relationship between local partners is sufficiently advanced, effective joint working can lead to collaboration and shared services. This in turn can deliver efficiency gains to ensure we maximise public spending to benefit local communities. However, key to delivering successful shared services is a strong business case which identifies the right processes, people and technology. Shared Services should not be technology driven nor on the assumption that the capacity of one organisation makes it fit for purpose in delivering the best shared services solution. There are some projects underway that are developing the foundations for collaborative and shared services opportunities:

- *Orkney Joint Working Project*

The overall aim of the Orkney project is to improve the efficiency of public sector services in Orkney and in particular in the management and delivery of support services in the Orkney Islands Council, NHS Orkney and other partner agencies who are part of the Orkney Community Planning Partnership. The project will develop options for collaborating on procurement, HR, property management and maintenance, patient/service user transport ICT and catering.

- *Comhairle nan Eilean Siar Integrated Working*

The Eilean Siar project is defining and scoping a model and governance structure for joint working which should provide a basis for integration of selected services. This study will report the feasibility of such a model exploring potential barriers and solutions and is due to be completed by March 2008.

- *Local Government Shared Services Pathfinders*

Edinburgh and Glasgow undertook initial diagnostics work and based on the outcome of these, a simplified operating model (toolkit) has been provided to the remaining 30 local authorities along with funding from the Scottish Government. Local Authorities will identify the scale and opportunity to simplify, standardise and share, analyse the resource allocation across the end to end processes, and undertake a gap analysis against leading practice. The outcome will be identification of priority opportunities and potential operating models. The best practice operating models will then be developed into a single operating framework for local government, which optimises the opportunities to share within the sector and with Community Planning Partners.

Involving Communities and the Third Sector

17. The introduction of SOAs and the existing structure for partnership working provided by CPPs are fundamental building blocks in this new approach. We can see how Community Planning has real potential to act as an infrastructure for delivery and how it provides an established framework for:

- Identifying the vision and strategic issues for the local area;
- Identifying overlaps and synergies between organisations;
- Designing services around the needs of users;
- Developing effective local leadership.

18. What makes CPPs uniquely suited to this role is that they have the infrastructure in place to engage directly with communities. This gives CPPs the opportunity to work directly and through their community and voluntary groups in developing local solutions to local problems, the central feature of Outcome Agreements. Effective engagement with communities and individuals has considerable potential benefit for those who are empowered by the process.

19. This Government believes that, over the last few years, too much power in Scotland has been drawn up to the national level. We want to make sure that people have more control over their own lives and more choice in how their needs are met. Councils, together with their partners, are in a position to undertake the sustained engagement processes and to build the relationships that can achieve this. So our approach is designed to ensure that, by empowering communities to become more closely involved in the decision-making process, we will not only see an improvement in the quality of local services but will also add value to communities and individuals themselves.

20. There is much good work already going on across the country. We want to learn from those strong community based organisations who are playing their part by delivering what is important to local people. This is where the third sector has a substantial role to play. It

offers both a strong link to communities, and also quality services with that community and user-focus. We want to support the third sector to make a full contribution by investing in third sector skills and developing its capacity to sit at the CPP table, as well as investing in its potential to deliver high quality services locally. We have made progress by bolstering the third sector capacity to be strong partners through the spending review.

Conclusion

21. The combination of factors that have been outlined in this paper create an opportunity to move CPPs forward and make a real difference to communities and service users. Work since the election on Scottish Government's overall Purpose, five strategic objectives and the Strategic Spending Review, means that we now have one cohesive direction for government which signals to bodies responsible for delivery locally where resources should be directed.

22. The overall Purpose and strategic objectives, which should be shared across all sectors, cannot be achieved without cohesion in service delivery at the local level. Community Planning is the primary mechanism for achieving that alignment locally.

Scottish Government
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