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Briefing 06/47

To: Chief Executives and Main Contacts in Scotland

Transforming Public Services – The Next Phase of Reform

Key issues:

- 1. Details of the Scottish Executives outline proposals to reform Scotland's public sector**
- 2. Potential new financial incentive frameworks to tackle national priorities**
- 3. Open challenge to the public sector to take a proactive approach and respond on how services should best be delivered for the future**

1. Introduction

The Scottish Executive has launched a further high level consultation with regards the reform agenda in Scotland.

Entitled "Transforming Public Services", the document sets a wider context to the recent consultation on the Shared Services agenda (Briefing 06/38) and the ongoing Efficient Government drive. Envisaged as a think piece to further stimulate the ideas and options which surround public sector wide reform in Scotland, the document contains a number of significant outline thoughts with regards the potential shape of Scotland's future public sector, and the roles played by its many partners.

Whilst there are no detailed proposals at this early stage, it is welcome that the document accepts and includes an inherent reform agenda for the Scottish Executive and other related government agencies, recognising the need for a fully integrated approach to reform.

Whilst no deadline for responses is stated within the document, comments are invited in line with an expected timescale of the end of September 2006.

2. Background

The reform agenda continues to build against a background of increasing activity with regards the demonstration of greater efficiency and productivity across the public sector in Scotland.

Under Efficient Government, the Executive committed to deliver £1.5 billion of annually recurring efficiency savings by 2007/08. Indeed, they have stated that to date they have already been successful in identifying some £1.27 billion of this figure.

Efficient Government, strategies for enhanced shared service delivery and now details surrounding the wider reform agenda are all intricately linked. Together, they map a future of change across the public sector in Scotland.

3. Overview

“Transforming Public Services” contains a series of outline commitments around the themes of reform across Scotland’s entire public sector. In the words of the Scottish Executive, it is “about making a real difference to users and communities whilst remaining realistic about public spending”.

Taking this point in particular and as highlighted by the Associations previous work in this area, there exists a question mark within the reform agenda with regards whether the appetite or indeed fundamental ability exists to spend significant funds in the short term to fund long term savings and benefits.

This dichotomy is not the only one within current developments; take for example the shared services agenda which sits within the framework for reform. By their very nature, fewer larger organisations will be further divorced from the local communities they serve. Whilst this may be more efficient or enhance productivity (but not necessarily more effective), it will undoubtedly undermine the commitment within the current consultation to enhance local political engagement and representation/accountability within service provision. Whilst the impact of such will be variable dependant upon the function in question, the danger of further divorcing elected members from representing their communities’ views in such matters is very real. The consultation does talk of the need to strengthen local democratic accountability (balanced by national ownership) and for example, invites comments in areas such as potentially revised arrangements to improve the accountability of NDPBs. Clearly, such matters have been discussed previously with little change in the number, structure and accountability of such functions.

It is also interesting to note the language used within the consultation document. For example, statements like “We have a window of opportunity in 2006 to agree the direction of change” and “The process of change will be continuous over the long term with the key period for implementation occurring during 2007-2011.” (Page 4, Section 4). This would appear to indicate a firm desire to agree and then push ahead before the impact of Proportional Representation in 2007 and the likely changes affected upon local authorities across Scotland.

Such a strategy is fraught with difficulty in that if stakeholders fail to buy-in to the process either at this early stage or as it develops, then there is a very

real danger that future engagement becomes adversarial in nature – fundamentally undermining the original goals and objectives of the reform agenda.

4. Transforming Public Services

The vision for transforming public services includes a commitment by the Scottish Executive to reform its own organisation and operations. The consultation details a commitment to transform the way the Executive plans, funds, directs and oversees public services whilst removing barriers to service transformation.

Whilst this commitment is welcomed by the Association as a critical element of the reform agenda, the proof as they say is in the pudding. It is too early to say with any confidence how successful such an undertaking will be however, it is slightly concerning that numerous references are made with the later parts of the consultation with regards new options for strengthening accountability and powers of sanction.

If these new frameworks are enhanced/streamlined versions of existing measures then all very well but there is also a danger that they simply replicate existing bureaucracies and measures. The ongoing development of outcome agreements and their wider acceptance will be an interesting measure of how attitudes and behaviours are open to change on such matters. The Executive talks of a radical re-think on the relationship between themselves and the wider public sector. One where funding and performance are linked directly to agreed outcome objectives. Borrowing from Westminster, the idea of providing additional funding to best performers is by no means new and runs the risk of further alienating those most in need of assistance. Such mechanisms will require a great deal of further thought if they are to prove truly effective in focussing activity upon key objectives. Again, the critical balance between national targets and local priorities cannot be ignored and there is a danger that current fragmentation surrounding ring fenced arrangements to deliver upon national priorities are merely replaced by a revised, but by no means improved, framework.

The additional talk of sanctions within the above mechanisms does not engender a greater belief that linked monitoring regimes will be reduced or improved. The Executive have identified five elements which they believe are fundamental to their approach: -

1. **Public services need to be user focused and personalised –**
Organised around the user not the provider
2. **Need to drive forward quality and innovation –**
Setting high standards and tackling poor performance
3. **Improve efficiency and productivity –**
By reducing bureaucracy and embedding a new culture of efficiency

4. **Joining up services -**
Across operational boundaries with shared best practice
5. **Strengthened accountability -**
Power and resources to the frontline with greater local responsibility

The last three identified above are the physical areas in which policy development is presently being accelerated across Scotland. The consultation refers to the fact that whilst public services are highly valued by the public in Scotland, many of the existing structures still reflect the remnants of a post-war welfare state, with users having little say in the services they receive.

Public choice is by no means a new theory; indeed, many of the developments under the past Government were driven by the goals of self regulating markets with limited government intervention. The outputs and outcomes of such approaches have been well documented and it is encouraging that the consultation makes specific reference to the need for such principles to be delivered via a variable approach which reflects the needs and goals of each area. In line with the opening statement on being realistic about resources, other elements underpinning greater citizen focus include the need to ensure that frontline services are not compromised – making the most efficient use of the resources available.

In many ways, the language of the document reflects the work already being undertaken by authorities with a commitment to a greater responsiveness to individual needs, lifestyles and work patterns. A core component of Best Value since its inception in 1997, the Customer/Citizen focus is central but it must be balanced by a realistic appraisal of just how far such mechanisms can best be facilitated before they become self defeating. The consultation contains a continued commitment to ensure that the Best Value is rolled out across the entire public sector however it is noted that the physical arrangements surrounding the framework may need to change to reflect the increasingly joint focus on linked outcomes across shared service organisations. The Association, which played a major formal role on the previous Best Value Taskforce, would welcome the opportunity to engage in this discussion on how best to address these matters and evolve the present framework in a coordinated and cohesive manner in line with changing demands.

The Executive make a clear commitment within the consultation to “a measurable reduction in the burdens of planning and performance reporting by 2007. We (Scottish Executive) will also undertake a review of all minor levels of local government funding streams, as they often demand disproportionate amounts of officer time to manage”. Both of these statements are broadly welcomed by the Association who for many years has called for the need to reduce unnecessary reporting burdens and simplify/enhance fragmented funding mechanisms. However, such comments

have been made before and only time will tell if the understandably risk averse nature of Government will undermine the level of change required for the future.

The challenge is to both simplify existing mechanisms whilst enhancing their strength, robustness and engagement.

5. Closing Remarks

Towards the end of the consultation, a challenge is delivered by the Executive to the whole public sector to “work collaboratively to deliver proposals for service reorganisation, and for local bodies to bring forward their ideas for local solutions – new ways to organise, structure and deliver public services in their area.”

To aid in this challenge, they themselves have promised to undertake a fundamental review of their own organisation to provide an enhanced service which meets the desired outcome focused objectives.

However, much of the content of the consultation is based upon ideas which are already in existence across the public sector, albeit with implementation in its infancy, for example, shared service centres etc. The Association supports the aspirations of enhanced public services with an outlook which is not constrained by any vested interest upon an individual area of provision. We welcome the public sector wide approach to the document but remain concerned that the aspirations contained within are already being eroded by the very nature of the bureaucracy which they seek to address. Indeed, the document itself contains numerous examples of this very issue.

Strong democratically accountable public services have a fundamental role to play at the heart of Scotland’s communities and we would welcome comments from our membership on the issues raised within the consultation.

We would encourage all our members to access the full consultation document which is available at: -

<http://www.scotland.gov.uk/Resource/Doc/130092/0031160.pdf>

Please email all feedback to gshields@apse.org.uk by 15 September 2006.

The Association will be formerly responding to the Scottish Executive on these matters following this date.

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