

## REPORT TO THE SCOTTISH PARLIAMENT'S FINANCE COMMITTEE INQUIRY

“ What preparations should be underway now by the public sector to ensure the efficient delivery of public services within a period of tightening public expenditure?”

### FUNDING FOR PUBLIC SERVICES



## Introduction

The Forum is aware from its own work that a future of public sector budgetary constraints, rapid technological change and shifting relationships between citizens, government and the third sector provides fresh impetus to find new ways of delivering better services for people in Scotland and driving greater value for money for the taxpayer.

On 16 March, the Scottish Parliament's Finance Committee invited Scotland's Futures Forum to run a workshop, with its Members and the Members of other Parliamentary Committees, to consider the future of public service delivery in Scotland in the face of impending budgetary constraints.

The Forum will run a follow-on workshop in April 2010 with 80 policy makers and Forum Members, as a second stage to this piece of work. A report of that workshop will be sent to the Finance Committee in May 2010 for their consideration.

**Scotland's Futures Forum**  
**April 2010**

## Methodology – ‘aspirational futures’

The Forum felt that it could add value to the Committee Inquiry by providing a futures perspective. While the future cannot be predicted, with less public money available, it is crucial that MSPs, policy makers, service providers and service users seek to develop a shared understanding of what their aspirations are for public services in 5 – 10 years.

The workshop began with the Forum encouraging MSPs and delegates to consider their own aspirations for Scotland’s public services in 2015. This included 18 Futures Forum Members and 11 MSPs.

The Forum then took delegates through a ‘backcasting’ (as opposed to forecasting) exercise, to look backwards at the short and medium term actions that would need to be taken to achieve their aspirations.

## The Purpose of the Inquiry

Andrew Welsh MSP, Convener of the Finance Committee was clear about the scale of the challenges facing the public sector in Scotland in the coming years. He noted that the purpose of the inquiry was to build an evidence base to enable better cross-cutting scrutiny of the Scottish government and other public sector organisations.

After a decade of large budget increases, the public sector now faces a period of sharp decreases in budgets so we need to ensure efficiency in the delivery of public services.

Mr Welsh was keen to look at examples of good practice as well as consider what benefits there are to increased use of technology and innovation.

## Key messages to the Finance Committee and all MSPs

- First, the shortfall in the funding of public services cannot simply be made up through efficiency savings, if we are to achieve our aspirations for 2015. There needs to be a more radical rethink on how public services are designed and delivered.
- Second, delegates foresaw greater personalisation of services in the future and that treating individuals as passive recipients of services was fast becoming outmoded.
- Third, it became clear that service providers in the so-called ‘statutory sector’ must relinquish more power and funding to ‘non-statutory sector’ service providers in the commissioning and delivery of services. There is evidence that empowering (and equipping) groups of local people to design and deliver their own services, fit for the future, provides more potential for innovation and better quality services.

From the workshop, the Forum would particularly ask the Finance Committee to bear in mind the following during this inquiry:

Be 'sector blind' – results and resources are what is important	We must no longer see individuals as passive recipients of services	Trust communities to find their own solutions	Be brave – challenge sacred cows
Pressure must be put on unitary authorities not to simply protect their own services (and jobs) if there are cheaper and better quality alternatives available.	Systemic thinking must be promoted in the delivery of services across a range of service providers.	Not all good practice can be replicated – no one model suits all	Balance short term decisions with long term consequences – consider that there will always be unintended consequences to deal with
We must not regress on advances made in tackling poverty and inequality over the past decade	Encourage more accountability between public sector providers	Stop being so risk averse – allow greater creativity and innovation	When delivering public services, people in Scotland are quite agile in moving between their identities as consumers and citizens. This should be used for advantage. As one delegate put it, who is better placed to take on the childhood obesity agenda: government or Nike?
	See our ageing population as a positive – how can we best utilise the skills of our over-50s?	Let's not have a deficit model where we are always trying to fix things that have gone wrong – put more resource into prevention	

## Aspirations for Scotland's public services in 2015

Delegates were clear that nothing should get worse by 2015 and there was a unanimous view that we must not see levels of poverty and inequality slipping back to where they were a decade ago.

Many felt that we needed to ask ourselves what kind of society we want. Some thought we should ask what we mean by a public service? Need it necessarily be delivered by the state? Most were of the view that it need not.

It was felt that there was a real opportunity to have better services and better outcomes but that fundamental changes to existing ways of working were required and that we could not simply 'tinker at the edges'. Everyone was of the view that there should be no sacred cows.

### Case study: Lucia Webster from Price Waterhouse Coopers (PWC)

explained PWC's involvement in ten pilots in public social partnerships.

She introduced Partners for Inclusion, a charity which provides high quality support to individuals with a learning and/or mental health disability. In conjunction with the local authority (East Renfrewshire Council), the charity approaches individuals to ask them what care package they want then PFI finds and recruits someone (the individual may even be a family member).

They have established that the annual cost of providing residential care using this method is £70k, as opposed to £150k in a normal residential care setting.

Strong leadership was seen as vital at all levels and across all sectors, but there was a clear aspiration that community leadership should be much stronger in 2015. It was felt that we should move away from seeing individuals as passive recipients of services and that we should be moving to ways of working that genuinely engage citizens in the design and delivery of public services.

Many felt that there was a lack of innovation in the public sector in Scotland and that many public sector organisations were instinctively risk-averse. Some participants bemoaned the forces of reaction that often surface whenever new ideas or approaches are mooted.

Case study: **A strong innovation agenda: Jim Duffy, Dundee City Council**, set out a number of examples where the Council had managed to solve previously intractable problems with minimal resource through a strong innovation agenda:

**Waste management in neighbourhood** – there was a persistent problem with littering and fly tipping in an area of the city and public nuisance complaints were taking an average of 25 days to close. The council had previously aimed to minimise expenditure on bins and reduce refuse collection times. This approach was overturned with the result that the area in question no longer suffers from being littered. As a result:

- Fewer public health complaints
- Complaints now take an average of 6 days to close
- Fewer call outs for fire service and criminal justice agencies
- Easier to lease housing association properties in the area
- Improved communications/decreased duplication between council departments

**Car parking ticket appeals** – there had been a backlog of 12 – 14 weeks. A high percentage of appeals were upheld. Individuals were hard to track down because of the time delay. 120 calls a month chasing progress of appeals. Cost of the appeals process was £40 more than the value of the parking ticket. The council considered and then tackled the root causes of the problem: poor yellow lines, broken meters, misinformation on notices, spurious appeals to delay process. As a result:

- 75% drop in the number of appeals
- It now takes 3 – 4 days to process an appeal
- Drop in number of calls and fines collected more quickly
- Three fewer staff are required to handle the appeals process
- Improved traffic flow in some areas

Media reporting of public sector management was seen as highly influential and many participants felt that there was the need for a more mature relationship between the public, private and voluntary sectors and the media. One participant noted that it was easier for the media to report quantitative information such as the number of police on the beat as opposed to more qualitative data such as whether people felt safer in their own communities.

It was felt that there should be greater co-production of outcomes across all sectors and greater collaboration within the voluntary sector (e.g. sharing back office services). Many participants commented that the public procurement processes drove third sector bodies to compete against each other rather than work together in partnership.

**Case study: Andrew Horn, Director of Addaction**, spoke about the likely impact of the current economic climate on the third sector. Add Action is the UK's largest drug and alcohol treatment charity with a turnover of £46m and 1,200 employees.

**For every £1 spent on drug treatment, £7 is saved from the public coffers (criminal justice service, health services, impact on families/communities etc.) and for every £1 spent on alcohol treatment, £5 is saved from the public coffers.**

He was of the view that we have yet to experience the 'public sector recession'. Jobs will be lost due to short termism and frozen posts will inevitably lead to diminished services.

He believes that we need to protect core services and greater collaboration within the voluntary sector (sharing back office services etc.). We also need to consider how we measure impact and the definition of best value.

If there is to be radical reform of the public sector, many participants felt that we would need to be honest with the people working in the public sector so that they understood that reform would alter both their way of working as well as traditional career paths.

## **Who needs to be involved in the design and delivery of public services and what short and medium term actions do we want from government, citizens and the third sector?**

The majority of participants saw greater personalisation of services as the future and that treating individuals as passive recipients of services was fast becoming outmoded. Although there were fears that increased personalisation could lead to isolation and atomisation, as fewer services are delivered communally.

However, some expressed concern that the notion of fully engaged citizens may be at odds with the consumer mentality (you pay money, you get something). The point was also made that there will always be some individuals who do not want to be involved in the design and delivery of the services they receive. Overall however, the pendulum of power and money, in relation to delivering public services, needed to swing more towards the control of communities and further from bureaucrats.

It was noted that design is different from delivery and that the skill set required to design a service may differ from the skill set required to deliver it. This led to concluding that there needed to be much more effort in building up community leaders, with the right skills, to help the right people become appropriately involved in the design and delivery of services.

The example of parental involvement in schools was raised more than once. Some participants questioned whether we should be capitalising more on the passion of parents for their children's education and seeking more meaningful engagement and involvement of parents in the running of schools.

There was a desire to see greater dissemination of existing good practice. On one hand, it was felt that there should be greater support in assisting successful pilot projects to 'scale up', but it was also accepted that no one model will work everywhere.

The issue of short termism and funding cycles was raised. There was a sense that the fixation on three yearly grant-making schemes encourages constant reinvention of the wheel, as voluntary sector organisations vie for new pots of money.

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**Organisations attending Finance Committee workshop**

- ACOSVO
- Addaction
- Barnardos
- Bethany Christian Trust
- Changeworks
- Community Care Providers Scotland
- Dundee City Council
- Inspiring Scotland
- PricewaterhouseCoopers UK
- Scottish Centre for Intergenerational Practice
- SCVO
- Shelter Scotland
- Voluntary Health Scotland
- Young Scot

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*All Forum publications are available in alternative formats, on request*

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