

LOCAL GOVERNMENT – SINKING OR SWIMMING

19 February 2008

I am delighted to be given an opportunity to address such a distinguished audience and to present the case for local government. When I was invited to speak at the David Hume Institute it made me reflect, I am afraid to say, on how little I knew about that very famous Scotsman. I have made up my mind to learn more about him. What I do know about him is that he brought an intellectual rigour to philosophy and to everything which he wrote about which we would do well to emulate in our present day thinking. He was also distinctively Scottish as, I would submit, is our system of local government and it is my hope that the Scottish environment which produces the genius of Hume can also lay claim to having produced a system of local government that serves the Scottish community well and of which it can be proud.

The question being asked tonight is whether local government is sinking or swimming. As you would expect I have no difficulty answering that question: it is swimming strongly albeit possibly in choppy waters and having to navigate dangerous currents. It is my contention that Scottish local government is making a huge and positive difference to the lives of our communities and is an essential part of our society.

I would like to start my argument by looking at some of the choppy waters and dangerous currents – mainly those constituted by the changes in the local government landscape.

The landscape has indeed changed in the past few years with a shift towards coalitions and minority administrations in councils up and down the country and the government in Holyrood has introduced a new approach to its relationship with local government. It is not just in the short term, however, that we have seen changes. There has been a constant change and challenge to accepted thinking over the last 20 or 30 years.

The Story

The recent history of local government is a complex one – it is a story of re-organisation, re-invention and competence in the face of constant change. It is also one with many examples of local government at its best when it is most innovative.

Local Government is multi-functional in nature with a variety of professional domains. Local government covers a vast range of services. Over 700 different functions grouped into approximately 90 service areas ranging from animal welfare - to schools. We are strategic and operational but we also have huge expertise that is applied to satisfy the needs of our communities.

Local government is used to change perhaps more so than central government and in the face of all that change, services continue to be delivered – people housed, bins are lifted, elderly people are cared for, children are taught. We cope and get on with the job, concentrating on what matters to our communities.

In Scotland, Councils face many diverse challenges on a daily basis delivering high quality services for the people who live in our communities. Those communities are changing rapidly and becoming increasingly diverse – with in-migration increasing and a growing elderly population and a decreasing number of younger people. Our geography alone in Perth and Kinross and in Scotland dictates that we deliver services in urban areas of extreme deprivation to remote rural communities.

In terms of our environment and infrastructure, Councils must respond to challenges of climate change, decreasing carbon footprints and managing the effects of our Scottish weather – flooding, storms, maintenance of our road infrastructure.

It is also becoming increasingly difficult to meet the statutory requirements of the EU Landfill Directive to progressively reduce the waste that we send to landfill whilst attempting to improve recycling and waste management facilities.

We face challenges in improving infrastructure with new land reform, pressures on maintaining the quality of our roads and managing Transport Partnerships to improve the planning and delivery of regional transport infrastructure.

The new Planning Act will bring about a huge challenge in terms of its implementation. It is designed to improve the planning system – but for an area already under pressure, implementation of the legislation poses significant challenges.

In Education many of our schools face increasing pressure on capacity with an ageing estate and new class size targets. Our curriculum must continue to be developed for the 21st Century to reflect a more flexible and balanced approach to promote both achievement and attainment for all.

We also face the challenge of the need to improve outcomes for our looked after children – giving them the best possible chances. The protection of children and vulnerable adults is our most important responsibility – and one which we must strive to fulfil.

The challenges of free personal care continue in terms of resource pressures whilst supporting older people to stay in their own homes - place an increasing pressure on Councils.

In our modern society we still face the challenge of significant health inequalities in our communities – and working with our partners we continue to attempt to improve what is only achievable through a sustained long term commitment.

With the changes in the housing market and the need to ensure that our economy is fuelled by a suitable workforce, Councils Housing stocks are increasingly under pressure – and the need to ensure an adequate supply of affordable housing is becoming a key challenge for us across Scotland.

So these are some of the choppy waters we need to navigate. In my submission that is exactly what we are doing – coping in a challenging environment and transforming our organisations at the same time.

Transformation

During a recent speech, my colleague Keith Yates reflected that in 1996, the functions of unitary authorities were performed by an average of 14 directors. Today Scottish councils have an average of 5 directors, and my own council has 4 Executive Directors. The typical director of local government will manage over 1,000 staff and a budget of £50-60 million.

This has resulted in very real capacity issues for local government. In the past, Directors were required to be competent in their professional area of activity. The Executive Director in the modern council is a strategic leader capable of managing a complex range of service delivery arrangements, negotiating with partners, skilled at community engagement and has an ability to influence public, private and voluntary sectors to work towards achieving common goals.

In my Council, the Executive Director for Education and Children's Services manages 88 schools, has responsibility for Cultural and Community Services, Education Services, Social Work Children's Services and Support Services. He has responsibility for a revenue budget of £133.6 million and a capital budget of £14.3 million.

The Executive Director of Housing and Community Care is primarily dealing with vulnerability on a whole range of fronts – and his job is becoming more and more complex as our society fragments with increasing homelessness, more people experiencing mental health problems, anti social behaviour, intervention required to manage neighbourhoods, households facing difficulty in finding appropriate housing be it public or private and a growing number of households with multiple and complex needs.

The role of councils is far more complex now than it has ever been. Public Private Partnerships, joint commissioning, Trusts and more partnerships all bring a complexity to the delivery of public services. Councils need to manage these arrangements, adapt and learn new skills such as understanding the interplay between the financial sector and the market place in relations to PPPs.

Local government is committed to achieving efficiencies. Last year local government achieved £314m of efficiency savings. However, this remains a challenge for local government in that we have infinite demand for many of our services and we need to balance taxation and charging levels, with the quality of services provided.

Councils such as my own have modernised the contracts for staff and introduced single status, addressing equalities issues. In my view, this is absolutely the right thing to do as it provides advantages for staff and is an example of strategic leadership in moving the organisation forward on its improvement journey. In Perth and Kinross we have a very positive view about this process. The cost and service implications are being managed and we have achieved implementation with no disruption to services. .

John is correct to raise however, that this process has been resource intensive, not just for HR services and has diverted attention from other important activity such as

workforce planning. Given the significant demographic changes projected this is a priority area for action.

The new Scottish Government has adopted 5 strategic objectives for the future of our country. In each of these key areas local government working in partnership has already has a track record of delivering positive change.

Local Government has worked hard at community planning and we can evidence that working together has proved beneficial for our organisations and communities. Across the public sector there are good examples of partnership working and relationships. In his presentation, John argued that more needs to be done to show the benefits for citizens from partnership working.

I support that position, however in mitigation would suggest that the transformational change process is still relatively new. Our efforts have concentrated on engaging services users, re-designing services, introducing new structural arrangements and introducing new organisational development processes to support joint planning and delivery of services. Although we can evidence change as a result, we need to provide more comprehensive evidence in this regard. This is a challenge not just local government but for the public sector as a whole. The introduction of SOAs will assist this process.

Over the last few months, a new relationship is emerging between local government and the Scottish Government. There is significant hope amongst the local government family that we are now on the brink of a more realistic and effective partnership.

In the first 6 months of the new government, we were advised that there would be no restructuring of local government over the life of the current Parliament. The Government has published its response to the Crerar report and in a short few months the delivery landscape has changed. Cosla has welcomed the new relationship and the renewed status for local government describing the concordat as ambitious and groundbreaking

The introduction of Single Transferable Vote has brought the inevitable change at local level. The majority of councils are now run by coalitions and minority party administrations.

Are we coping with this particular shift? Yes we are. *A successful coalition is an alliance borne out of necessity to achieve a common purpose and one that is based on respect and accommodates political differences.* These new forms of political management undoubtedly bring challenges in terms of relationships between members, and between members and officers and the need to build political consensus. The role of Chief Executive is situated with the political and organisational context that surrounds it.

Relationships are the foundation of the success of any organisation. They need to be based on trust and mutual respect. Councillors must have equal access to all officers across the council. Officers need to understand the politics of geography and ensure organisational stability in terms of the likelihood of further political change over the course of the life of the Council.

This happened in my own Council four years ago when the administration completely changed overnight. The transition was extremely professional and smooth due to the significant investment of time made in building relationships with all political parties and ensuring that officers were accountable to the whole council.

So the old ideologies that local government has been based on for many, many years are being challenged and are being resolved, but will continue to be the subject of considerable debate. The experience so far is that councils are making coalitions and minority administrations work. The budget is a key test. Across the country, priorities have been agreed and resources committed to delivering these. Based on my own experience of Coalition Administration I am confident that councils will evolve effective arrangements supported by Cosla, which has developed strong and cohesive political leadership following the election last year.

What does the future look like?

In my presentation I have tried to assert that local government is very effective in managing change and dealing with issues which matter to communities. However, continued success will depend on progress in key areas. The best value regime is fundamental to developing an organisational culture that seeks constantly to improve how we relate to stakeholders, service users and the wider public. It is also about developing effective leadership.

However, best value and community planning must be part of a wider modernising agenda across the public sector. Applying best value and enforcing the provisions of community planning across the whole of the public sector would address the sometimes fragmented nature of the public sector. In this regard, I welcome the commitment by the Minister, in the government's response to Crerar, to support the roll out of best value across the public sector.

However well public sector agencies are able to co-ordinate the delivery of their services, integrated working at the local level must be complimented by integrated working at the national level.

The new outcome based regime brings many challenges for the Scottish government, local government and scrutiny bodies.

Many of the national outcomes detailed in the Concordat relate to complex social and economic issues which must be addressed in order to create sustainable communities. Councils cannot address these alone. That is why many of the Single Outcome Agreements submitted to the Scottish Government on 1 April will be endorsed by all local partners. This new approach presents challenges in terms of accountability. For instance – is it sensible for Councils only to be held to account for the delivery of these outcomes, when resources, commitment and leadership from all public agencies are critical to the successful delivery?

Crerar provides us with a once in a lifetime opportunity to modernise scrutiny in the public sector to ensure that it promotes effective governance, professional practice and secures the delivery of outcomes for communities and citizens.

Scrutiny and accountability, in the context of continuous improvement and the delivery of outcomes, requires to achieve a number of key objectives for local government and its stakeholders:-

- It requires to be more proportionate and risk based
- It requires to be a consistent and transparent approach
- It requires to add value to the work of Councils and partners
- It requires to complement the assurance provided through the Single Outcome Agreement, through the use of more effective performance trend analysis, benchmarking and the engagement of service users.

Scrutiny and accountability, in the context of continuous improvement and the delivery of outcomes, has to take place on the basis of partnership. Partnership in the sense that all of our service delivery is now about joint delivery

I believe that in the future local government and its public sector partners should be the main customers for scrutiny bodies. We should be responsible for commissioning inspections and audit, based on an assured position in relation to our own embedded self evaluation processes.

John has referred to the role of elected members as being central to good governance. I could not agree more. The role of elected members is integral to the future success of local government and local democracy. Communities, businesses, individual citizens, the media, MSPs and a whole range of others – they expect Councils to have an all reaching presence, even on those occasions when they don't.

The role of councillors is much more complex than it ever was. Today's councillor is expected to lead local partnerships and multi-agency working to tackle the complex, cross cutting issues such as health inequalities, skills, crime and anti-social behaviour. They must understand the complexities of PPPs and broker and lead local solutions to local problems. Their democratic legitimacy gives councils a unique authority. Their unique role in the governance of our communities needs to be given greater recognition.

We, in local government, recognise that we have not yet reached our destination in terms of the improvement agenda. We are confident in our leadership, our ambitions, and in our ability to deliver quality services in partnership with colleagues in other parts of the public sector. We accept, however, that some of our key processes need to be improved.

I believe, however, that we need to progress the transformation agenda by taking community planning to the next level.

We need to develop joint leadership approaches which are about building a collaborative approach to public sector leadership, building a common public sector culture, strengthening collaborative relationships, transforming public services, sharing knowledge, innovation, skills and best practice.

In my view, local government has a very positive future. It is a future which will build on successes and address some of the areas for improvement. Yes there are many areas for improvement. Society does not stand still – neither will we. Local government is concerned with securing the future for our citizens and our communities.

Why am I confident about the ability of local government to meet the challenges of our age?

In my job I spend a lot of time working alongside staff, in learning visits with my colleague Directors, meeting staff, businesses, community organisations, and attending visits with Council Leaders.

Taking time out to spend on the frontline learning and listening is about leadership in my view. It helps me to appreciate the leadership role of staff, however it is also concerned with corporate leadership of the council and how we exercise this through creating unity of purpose. Effective strategic planning for future sustainability requires an understanding of the organisation and of our communities. Our leadership approach is both collaborative and adaptive, through personal investment and involvement in the issues which matter, enabling staff to exercise initiative and share responsibility.

I have spent time working alongside home helps, social work staff, planners, the persistent offenders team, teachers, housing staff, building control staff and many others. To say that these experiences have been extremely rewarding would be an understatement. I have witnessed first hand the real challenges which staff deal with every single day. Some of the experiences have been less pleasant, for example when out with a Building Control Officer who was about to inspect the drains and warned me just a bit too late to stand aside.

I was fortunate to witness the excellent work undertaken by staff in the Persistent Offenders Team, working with young people who were destined for a life of crime without the necessary professional intervention. I met with two 15 year old boys who, because of the intervention of staff, had been admitted to vocational courses at the local college. If the support and care of staff prevents one young person from entering a life of crime and gives that young person the chance to be a productive member of society, then the benefits to our community are immense. These are the successes which go on every day, but staff rarely get any recognition for their achievements – except when something goes wrong.

I have witnessed young members of staff who are Housing Officers, dealing with the most unbelievably difficult circumstances. When out working with them we received a phone call to attend a property which had just been abandoned. On entering that property, drugs were evident throughout, beds were everywhere, clothes were strewn across every room and the kitchen was unfit for human habitation. It had all the hallmarks of a transient lifestyle and yet three children had until recently lived in that property. Staff are dealing with this kind of issue every single day with the obvious concern for the welfare of the children.

I also visited an elderly tenant who had been in his house for 50 years and the property had not changed during that time. The property was unsuitable for his

needs but trying to encourage him to move to a more suitable home was nearly impossible and yet the member of staff with patience and sensitivity dealt very ably with the situation.

Staff are pretty sanguine about their experiences but their overriding objective is the welfare of tenants and families. Their commitment is to do their very best every single day.

My job in comparison to this is easy. From the desperate to the inspirational, that is what I have experienced in working alongside staff on the frontline.

I visited a nurture club for 5 year olds. This is quite a recent development in the education of children and it aims to provide intensive support for children who cannot learn in a mainstream setting because of their often chaotic family circumstances. I spent time with a group of 5 year olds who could not communicate with each other, with adults, had no confidence, had very little language skills, lacked basic social skills and were extremely frightened of strangers. Under no circumstances could these children thrive in a mainstream classroom setting. So, intensive support from Social Work staff, classroom assistants, psychologists and teaching staff was provided for them. When I went back a year later, I was able to do something that I couldn't do a year before. That was to sit down, have a cup of tea and chat to the children. The changes in them were quite remarkable. These are children who, without that care, attention and support from conscientious and committed staff, would have been included in every statistic.

When I leave these visits it is with a renewed sense of pride in my organisation - with an enhanced sense of appreciation for the staff for their commitment and their dedication in the face of often difficult situations and adversity. Ultimately, I feel re-energised and better able to consider the issues when I am reading reports at our management team.

I know that every single day in my council and in councils across Scotland, staff are making a difference, a positive impact on people's lives and that is why I believe local government has a very positive future.

My life has been enriched by my experiences and I feel very privileged to be part of the public sector and in particularly local government.

Ladies and gentlemen it is my contention that local government is indeed swimming and not sinking.

Thank You

Bernadette Malone
19 February 2008