

The Commission on the Future of Public Services

KEY MESSAGES

The Commission believes Scotland's public services are in need of urgent and sustained reform to meet unprecedented challenges.

The pressure on budgets is intense and public spending is not expected to return to 2010 levels in real terms for 16 years. In addition, new demographic and social pressures will entail a huge increase in the demand for public services. The economic downturn will also intensify and prolong demand.

Unless Scotland embraces a radical, new, collaborative culture throughout our public services, both budgets and provision will buckle under the strain.

Despite a series of Scottish Government initiatives and significant growth in public spending since devolution, on most key measures social and economic inequalities have remained unchanged or become more pronounced. The evidence submitted to us demonstrated that these inequalities account for a significant element of the increasing demands on our public services.

This suggests that a radical change in the design and delivery of public services is necessary, irrespective of the current economic challenges, to tackle the deep-rooted social problems that persist in communities across the country.

A cycle of deprivation and low aspiration has been allowed to persist because preventative measures have not been prioritised. It is estimated that as much as 40 per cent of all spending on public services is accounted for by interventions that could have been avoided by prioritising a preventative approach.

Tackling these fundamental inequalities and focussing resources on preventative measures must be a key objective of public service reform.

The Commission has also received considerable evidence demonstrating serious shortcomings in the capacity of public services as presently organised to deliver better outcomes.

The public service system is often fragmented, complex and opaque, hampering the joint working between organisations which we consider to be essential.

As a whole, the system can be 'top down' and unresponsive to the needs of individuals and communities. It lacks accountability and is often characterised by a short-termism that makes it difficult to prioritise preventative approaches.

Addressing these systemic defects will require a fundamental overhaul of the relationships within and between those institutions and agencies - public, third sector and private - responsible for designing and delivering public services.

Evidence drawn from written submissions to the Commission, public discussion events and stakeholder meetings, demonstrates that some new approaches - characterised by collaboration between organisations and partnerships with people and communities - are making a real difference and can provide positive models for the future.

However, these are isolated examples. A priority for government should be to ensure such approaches become the norm, benefiting individuals and entire communities.

In contrast to previous work concentrating on specific aspects of public service reform, this Commission was asked to look across the whole field of public service delivery, and examine the challenges, obstacles and opportunities that lie before us. On this basis, we were asked to map out a way forward for the reform of public services.

The priorities we identified include:

- **Recognising that effective services must be designed with and for people and communities - not delivered 'top down' for administrative convenience**
- **Maximising scarce resources by utilising all available resources from the public, private and third sectors, individuals, groups and communities**
- **Working closely with individuals and communities to understand their needs, maximise talents and resources, support self reliance, and build resilience**
- **Concentrating the efforts of all services on delivering integrated services that deliver results**
- **Prioritising preventative measures to reduce demand and lessen inequalities**
- **Identifying and targeting the underlying causes of inter-generational deprivation and low aspiration**
- **Tightening oversight and accountability of public services, introducing consistent data-gathering and performance comparators, to improve services**
- **Driving continuing reform across all public services based on outcomes, improved performance and cost reduction**
- **Implementing better long-term strategic planning, including greater transparency around major budget decisions like universal entitlements**

Our specific recommendations include:

- **Introducing a new set of statutory powers and duties, common to all public service bodies, focussed on improving outcomes. These new duties should include a presumption in favour of preventative action and tackling inequalities**
- **Making provision in the proposed Community Empowerment and Renewal Bill to embed community participation in the design and delivery of services**
- **Forging a new concordat between the Scottish Government and local government to develop joined-up services, backed by funding arrangements requiring integrated provision**
- **Implementing new inter-agency training to reduce silo mentalities, drive forward service integration and build a common public service ethos**
- **Devolving competence for job search and support to the Scottish Parliament to achieve the integration of service provision in the area of employability**
- **Giving Audit Scotland a stronger remit to improve performance and save money across all public service organisations and merging the functions of the Auditor General and the Accounts Commission**

- **Applying commissioning and procurement standards consistently and transparently to achieve competitive neutrality between suppliers of public services**
- **Reviewing specific public services in terms of the difference they make to people's lives, in line with the reform criteria we set out.**

In short, work to reform public services needs to be urgent, sustained and coherent.

We are proposing an approach based on a thorough understanding of how public services could improve the quality of life and outcomes for the people of Scotland, while focussing relentlessly on driving out costs.

It follows that any reform of organisational boundaries should be 'bottom up' - based on the reality of delivering front-line services - rather than 'top down', or solely motivated by the desire to make savings.

We believe that Scotland's public service landscape is unduly cluttered and fragmented, and that further streamlining of public service structures is likely to be required. But any specific proposal for reform needs to be driven by how best services can achieve positive outcomes, based on a comprehensive cost-benefit analysis. Otherwise, we risk bearing the significant costs of structural change, without reaping any real rewards.

Times of fiscal austerity inevitably require the Scottish Government to take difficult public spending decisions between competing demands. The *2010 Report of the Independent Budget Review* (IBR) highlighted the immediate pressures on the Scottish budget in this regard, and provided a range of policy options for containing public spending in the short term.

Contentious issues such as the continuation of universal entitlements must be considered openly and transparently, rather than in the current polarised terms.

But, as the IBR noted, we also have to look beyond the current crisis and devise a model of public services that is both financially sustainable and is capable of meeting the significant longer-term challenges society faces.

This also will confront the Scottish Government with stark choices about priorities, and raise a wider range of contentious issues.

For instance, achieving a radical shift towards preventative public spending is likely to be controversial, but we consider it to be essential. It is this longer-term vision for public service delivery which this Commission had to address.

In this report we have set out a way forward for Scotland's public services, reflecting the significant challenges - and opportunities - that lie before us.

We now call on the Scottish Government and local authorities together with all their partners and stakeholders to initiate these reforms. The goal must be nothing less than a thorough transformation of our public services. The prize is a sustainable, person-centred system, achieving outcomes for every citizen and every community.

The Commission on the Future of Public Services: Criteria for the reform of public services

Proposals for the reform of public services should be assessed against the following criteria.

Proposals for the reform of public services should:

- first and foremost, be shown to support the achievement of outcomes - real-life improvements in the social and economic wellbeing of the people and communities of Scotland;
- be affordable and sustainable within the budgets expected to be available to Scotland's public services;
- include appropriate arrangements for services to account to the people and communities of Scotland, both directly and through their democratically elected representatives, so that public confidence in and support for the delivery of services can be maintained;
- ensure that services are built around the needs of people and communities, to increase individual and community capacity, resilience and autonomy;
- allow and encourage services to empower front-line staff and allow them to give of their best;
- support the local integration of service provision;
- encourage services to pursue preventative approaches, tackle inequality and promote equality;
- improve transparency over plans, expenditure and performance;
- contribute to the simplification and streamlining of the public sector landscape; and
- be consistent with and support the wider reform and improvement of Scotland's public services.