

## Christie Review Roadmap to reform?

Anyone expecting short term proposals for cuts or maps setting out boundary reorganisations, will be disappointed in the report of the Commission on the Future Delivery of Public Services (Christie Commission). Instead it sets out a road map of reform over the medium to long term. It is also firmly based on the Scottish public service model. No marketisation or Big Society here. As Campbell Christie said at the launch, this report is firmly based on collective responsibility and social justice. The report states that "Public services are central to the fair and just society to which we aspire."

What the report does do is to set out the huge financial challenges caused by the ConDem cuts, but also the demand pressures caused by the recession, inequality and demographic change. No reform of public services can possibly bridge the £60bn+ gap identified in the report and the Commission recognises that public service reform is only part of the solution.

The report proposes four main principles for reform:

- Empower individuals and communities
- Integrate service provision
- Prevent negative outcomes
- Efficient public services

The Commission's report has been broadly welcomed although some commentators argue that it could have gone further. This is somewhat superficial as the report is more radical than it first appears. Even if we didn't face huge financial pressures there is a compelling case for tackling some of Scotland's deep rooted problems. This is the first time anyone has looked across Scotland's public services, instead of a particular silo, and recommended a different way of working. Initially it is mostly about rewiring the system, but that could lead to longer term structural change. However, the report's criteria for reform is clearly based on local democracy, not centralisation.

UNISON's briefing on the report can be viewed at: [http://www.unison-scotland.org.uk/briefings/b005\\_PolicyBrief\\_ChristieCommission%20PublicServices\\_June2011.pdf](http://www.unison-scotland.org.uk/briefings/b005_PolicyBrief_ChristieCommission%20PublicServices_June2011.pdf)

### Three things to do today:

- [Read up on shared services](#)
- [Learn about real ways to improve](#)
- [Ask a friend to join](#)

The structures of Scotland's public services are under scrutiny. What gets less discussion is their purpose. Getting the structure right requires a clear purpose. UNISON believes they form the foundation of a fair society that combines economic strength with social cohesion. Britain was able to rebuild itself after a war and become the fourth largest economy in the world because of our public services. We have a well educated population, our legal system keeps us a safe place to live, work and do business. To overcome the current crisis we need to invest and modernise our services. Many people need also extra support.

- The gap between the bottom 20% and the average in learning outcomes has not narrowed in the last ten years.
- The percentage of children leaving school directly into unemployment has risen to 22% for the bottom 20% of the young population of Scotland.
- Half of all young people in Scottish prisons have been in care. 80% of violent offenders. Despite just 1% of all Scottish children having been in care.

We need to focus resources to break the cycles of poverty and inequality which prevent children from achieving their full potential. The gap between rich and poor has grown in the last ten years. How many doctors, scientists, entrepreneurs have we lost out on because they didn't get the support they needed? How many young men in our prisons could be contributing to the economy if they'd had better childhoods? It's not just about those individual children though inequality hits us all: even the rich lead better lives in more equal societies. This is the waste we must tackle: wasted lives.

## Shared services are not the only game in town



### SHARED SERVICES: IS IT EVER A GAMBLE WORTH TAKING?

**S**adly, despite the growing evidence of failure to deliver, shared services are still the focus of most work on improving public services.

Councils are being attacked for not making faster progress. There is little doubt that more councils will be doing joint work. This section gives examples of work being done to promote shared services in the public sector.

### New guide for councils on how to share

The Local Government Group has put together a guide for councils to support moves to increased sharing. *Shared Services and management: a guide for councils* is a "how to" taking managers through a range of questions to establish how and where to share services across local government. It also gives guidance on the implications of EU procurement law on shared service vehicles and the narrow application of the Teckal exemption. These rules mean that many forms of sharing can open services up to private bidders.

The guide outlines case studies where councils in England are sharing or working towards sharing services. So far few have achieved the real savings. Where there are savings they are through job losses. Sharing also need initial investment

which is hard to get when budgets are being cut. For example: Bromsgrove District Council (BDC) and Redditch Borough Council (RBC) decided to start sharing in June 2008 and they appointed an acting joint Chief Executive for 12 months as part of this programme. The plan was to review all services and develop a joint business case by July 2009.

They employed SERCO to develop the business case. They stated that all services could be shared over a three and a half year period and started with the appointment of a single management team. As soon as they moved to implementation the potential savings figure was substantially reduced. The key reason was that more managers were needed than originally thought in order to "ensure strategic capacity at the most senior level".

### So far, few have achieved real savings

The report claims £250,000 of savings to each council through sharing the management team but this is net of the £1million pounds it cost in redundancy payments and equalising the pay and conditions across the two councils. It cost £100,000 to upgrade and make compatible the IT systems.

The full report will give an insight into the planning processes that management are undertaking.

## Disaster down under

**T**he Government of Western Australia is considering abandoning is expensive experiment into shared services.

The Office of Shared Services in Western Australia is now under investigation by the economic regulator. The project was intended to save money by combining HR, payroll, finance and procurement for 90 government agencies. The Economic Regulation Authority (ERA) investigation has declared the project a disaster. The project is on hold while they work out if it will be cheaper to scrap the whole project rather than to continue to try and fix it.

The original business case proposed an investment of A\$82 million to set up the agency promising A\$41 million of savings a year after 5 years. The project was to be completed by 2007. Four years on the actual costs is now A\$460million. It will need another A\$1.88billion over the next ten years. A leaked copy of the report says that they are left with two options: scale back the project to just deal with finance or abandon the whole thing.

The Australian public sector union say that this doesn't even show the real cost of the project as it doesn't count all the time staff in other agencies have to put in to chasing up errors, dealing with the system crashing, dealing with suppliers unhappy about unpaid invoices, resending/re inputting lost data, chasing their lost wages and lost leave entitlement and developing work-arounds. Staff in all agencies have been under enormous stress during this lengthy period of change. Those who went through the stress of transfer are now waiting to hear if they will have to transfer back.

The Oracle system cannot deal with the complexity of public services. This is an excellent example to use when highlighting problems that branches see when looking at the business cases currently being put forward in local government to create this type of big shed 'solution'.



# Avoiding the road to nowhere

**T**he Association for Public Sector Excellence (APSE) have also produced an overview of work going on to achieve efficiency savings in public services [Avoiding the Road to Nowhere: Transforming Frontline Service Delivery Through Efficiency and Innovation.](#)

The guide is divided into two sections one on themes and the other giving service specific examples. The sections weigh up the pros and cons of each approach which will be useful for branches when looking at the plans their employers are proposing currently. Most other reports on efficiency in the public sector are either thinly disguised sales pitches from consultants or straight demands for privatisation from those who will directly benefit from taking over the services.

While much of the thinking on improvement in the public sector is focused on shared services, outsourcing and privatisation this report is much broader looking at a range of options including Lean and Systems Thinking and Total Place. Services covered include catering, street cleaning, and highways maintenance and winter maintenance. The report will help branches to:

- frame questions for employers as currently some plans appear to be being made without union involvement
- challenge the management consultants drawn up plans for privatisation and outsourcing
- analyse proposals for service change
- develop alternative ways to improve services as part of campaigns against cuts

There is also a new [UNISON briefing on bargaining around shared services](#) with links to more examples of services improvement to support local negotiations.

# Down the same old road



## SHARED SERVICES: IT'S TIME TO SLOW DOWN

**M**any in the current government see the future of public service delivery as one where the public sector provides funding and manages contracts while the private sector delivers.

As the private sector struggles get business following the banking crisis many at the CBI see privatisation of public services as a profitable revenue stream.

The CBI report [Shared Services in Local Government This is the time](#) calls for much more saving and "new models of delivery" which we know means more private sector delivery of direct services to the public and cuts to jobs and pay for those delivering the service.

Oddly they use Southwest One

## It means cuts to jobs and pay for those delivering the service

as a success when even the local Tory MP attacked the project for wasting money.

The New Local Government Network (NLGN) has published a new book calling on local government to expand its use of shared services. As the savings from IT based solutions have failed to materialise councils are now being urged, not to look for new ideas, but to expand sharing into so called front-line services like social care and waste. NLGN call for government to remove barriers to push shared services forward at an increased pace. They are recommending that:

- Councils adopt a presumption in favour of sharing: the burden of

proof should be why can't it be shared

- a national platform designed to increase market liquidity and information: a website to help public bodies find partners to share with
- more intensive placed based budgeting
- Local Enterprise Partnerships: to be funded and incentivised to become a local forum support sharing
- Public Agency General Power of Competence: all public bodies should have the same legal freedoms to set up shared services that local government has
- Invest to save bonds: in order to fund the costly early stages of these projects
- Local Authority Boundaries: local authorities should explore "deep and long-term integration of services" with their neighbours

The book states that the public sector is slower than the private to adopt cost cutting and performance efficiency practices and blame employment laws and the silo nature of local government. The protection that workers get under TUPE is clearly seen by many as a barrier to making savings through lowering terms and conditions of public sector staff. Cutting costs by paying people lower wages is not improving efficiency.

Branches will find the case studies included useful when analysing the plans employers are developing. This report is not available online but can be purchased from the [NLGN](#).

## High hopes in the highlands



### **H**ighland Council and NHS Highland are finalising proposals for joint delivery of adult and children's services.

Work is now at an advanced stage and final proposal are expected to go before a joint Highland Council and NHS board meeting at the end of June. The plan is called Pathways to Integration.

In December last year the two bodies considered proposals for a new partnership model to deliver

health and social care. The proposal suggested a single lead agency model where both bodies would be jointly accountable for determining outcomes and resources and the lead agency would take all responsibility for all of the delivery strategy, internal governance, operational delivery or commissioning of services.

The lead agency would be fully accountable for the delivery of outcomes. This will lead to a range of staff transferring from local government to health and vice versa.

The branches involved are looking closely at the proposals and have a range of concerns about the changes.

Meanwhile other public bodies are monitoring the progress of this plan and may be considering this type of model in their own areas.

The Christie Commission visited as part of their investigation and politicians across Scotland are following developments closely.

Ken Matthews, the Regional Organiser for the area, is keeping UNISON informed. Branches looking for more information should contact their own Regional Organisers.

If similar plans are being developed in your area please send details to [Kay Sillars](mailto:kay.sillars@unison.co.uk) and to your RO.

## McLelland Review of ICT

The Scottish Government has published its John McLelland led [review](#) of Information and Communication Technology in the public sector. The Scottish sector spends about £1.4 billion a year on ICT including the wages of 6200 staff.

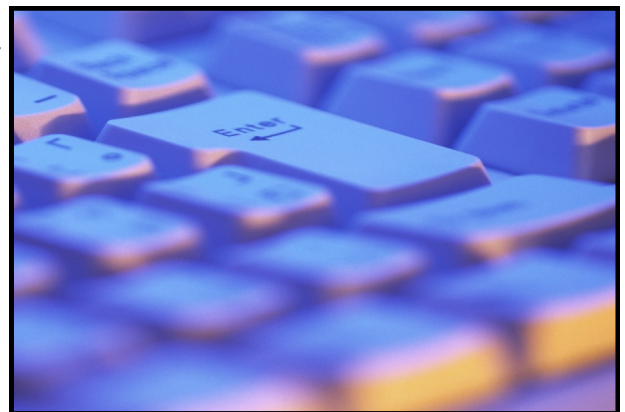
McLelland is calling for his recommendations to be implemented immediately and therefore for a freeze on all other projects until they can be reviewed in the light of his findings.

He recommends setting up a National Oversight Board and Sector Oversight boards supported by Improvement Service, Procurement Centers and IT councils

The report also calls a greater role for so called experts from the private sector. UNISON believes the waste in ICT is caused by the private sector's inability to deliver on its promises.

The review calls for

- oversight structures to be set up by the end of June this year
- membership and remit of the industry advisory board to be set up by the same date



- Individual and national strategies to be completed by end September 2011
- the new plans to be started in October 2011
- New strategies and budgets agreed by the end of November 2011

Bargaining [briefing](#) 4 lays out more detail on the Review

If you would like more information on any of the articles in this newsletter or have information you would like to share in the next issue please contact: [Kay Sillars](mailto:kay.sillars@unison.co.uk) in the Bargaining and Campaigns team on 0141 342 2819 [k.sillars@unison.co.uk](mailto:k.sillars@unison.co.uk)



Follow us on

