Response to the Commission on Public Service Governance and Delivery

Background

The Cabinet and Corporate Management Team of the City & County of Swansea have considered in detail your letter of the 14 June setting out your call for evidence.

Your Commission has established an ambitious review process and adopted a very demanding timetable, to report by the end of this year.

We believe that the Commission is addressing a vital issue which will affect citizens of Wales for generations to come. A Welsh Public Sector of the size, complexity and culture that we have today is unsustainable both economically and in terms of its ability to improve outcomes for the people of Wales.

Since the announcement of the Commission there has been a strong focus on the implications for structures, particularly in Local Government. We believe strongly that this is entirely the wrong debate. A review of the public sector in Wales must start with a strong vision of where we want to be in say ten or twenty years time. This vision must be expressed in terms of outcomes for citizens, clients, service users etc. The current focus on inputs and processes will not deliver the transformational change that is necessary to make Wales a top performing devolved administration equipped to meet the challenges we face. Supporting this strong vision and focus on outcomes must be a common set of values that cover the whole of the public sector and are endorsed and understood by the public.

In order to deliver a step change in terms of outcomes the vision and values must promote innovation and empower communities. The review should recognise the old adage that 'form follow function' and indeed both follow foresight.

You set out six main themes and a range of high level questions. This process is, in part, useful. However it seems to us that your final three questions are a much better place to start.

The remainder of this document will therefore respond to your final three questions and then to some extent expand on the themes. Where possible examples are given to illustrate a point, but in the interests of brevity these are not exhaustively described, so please read this in that context.

Concluding Questions

1. What are the greatest challenges in delivering public services in the future?

Any discussion on key challenges would quickly identify:
- Demographics – ageing population etc
- The need to create jobs and wealth
- The need to adopt technology

But more specifically it is vital to consider and embed;
- Sustainability as a central organising principle
- The need to develop community capacity and resilience
- The need to address the widening gap in terms of inequality both in health and economic well being
- The need to manage (or reduce) demand across a range of core services, as current models are doomed to failure
- The impact of UK Government policies on Welfare and Economics which will restrain our ability to develop a uniquely Welsh offer to citizens
- The need to recognise the role of Wales as a region of the EU not an extension of England
- The need to invest in new service models
- The need to determine the balance between the role of the pubic sector and the citizen

2. <u>How would you like to see public services delivered in the future?</u>

It is vital when addressing this question not to fall straight into the debate on structure! In principle what is needed is:
- Welsh Government to facilitate the development of a vision for Wales upon which the public sector can be built. That vision to be backed by clear public sector values and a range of specific outcomes/indicators
- Welsh Government to determine its role, focussing on legislation, policy making, scrutiny and holding to account
- A clear distinction be established between the Welsh Government as policy maker and the public sector delivery arm
- There should be a radical delayering of responsibilities and accountability. Take education at the moment, we have:
    a. Welsh Government
    b. The Minister responsible
    c. Local Authorities
    d. Regional Consortia
    e. Governing Bodies
    f. The Head Teacher
    g. An Inspection System

Each element has powers and duties, these are invariably framed in negative terms like 'intervention'.

A revised system should ideally only have three parties.

(a) Policy maker – Welsh Government.
(b) Deliverer (there are a number of options).
(c) An inspector focussed on service improvement

- There should be a radical review of the funding system. The aim should be a single unhypothecated funding stream to the delivery unit backed by strong outcome management

- A single accountability agreement should be in place describing outcome not process. A single inspection regime should be established
- In pursuit of improved outcomes some key changes should occur:
    a) Primary Care, Community Care and Social Care should be located in a single organisation with a common accountability framework and a single budget. There should be democratic accountability built into this system. These organisations should be co-terminus with Health Boards
    b) Economic Development should be led at an all Wales level and delivered via the City Region structure where present
    c) The positioning of services in any structure should be based on an objective analysis of what is best in terms of firstly outcomes and the economy on a local, regional and national level. Higher cost and specialist services increasingly being delivered at a regional or national level

3. Other evidence the Commission should be looking at?

A fundamental flaw in this review and indeed many previous ones, is a lack of rigour in terms of accredited research. In order to convince both the staff and public of the need to change some genuine research backed rigour is needed. We cannot simply pursue a uniquely Welsh approach unless there is evidence to suggest real improvements in outcomes which meet the distinctive needs of our population. For example we must understand why other countries have higher levels of literacy and numeracy and what interventions will lead to improved outcomes.

Turning to the core themes.

Theme 1 – Performance

A review of the approach to performance management in the public sector would be encyclopaedic. Therefore general observations are made together with concluding comments.

- There is no common accountability agreement for public services in Wales. For example Health and Social Care are inextricably linked, but the NHS and Local Government have completely different accountability and performance regimes
- Even within the Local Authority context different approaches are taken between core services and the requirements of a myriad of grant funded initiatives
- There is an over reliance on comparisons within Wales. Policy divergence has led to even greater insularity which stifles learning and improvement
- Few if any performance measures truly focus on outcomes that matter to residents. Most performance data is focussed on process, inputs and what can be measured
- New policies are produced with ever increasing key performance indicators with outcomes equally absent, no new money is provided to deliver the transformation

- The use of outcome agreements and grant regimes in an attempt to control/influence performance distorts effort and priorities in pursuit of relatively small sums of money
- Performance indicators and data are too extensive and detailed to be of use to citizens in assessing performance
- A standard response to a crisis (for example in Children's Social Care) is to devise more and more performance data, none of which deals with the root causes of the problem and outcomes
- There is a need to involve the public directly in the debate on role and outcomes. However, there is much evidence to suggest that high public satisfaction ratings are achieved by relatively few services being perceived as good. These mainly relate to 'Streetscene', dog fouling, litter, potholes. Little credit is achieved from the most important public services that deal with safeguarding and protection of the vulnerable

For the future it is suggested:
- Welsh Government set the vision and values for the public sector in consultation
- Welsh Government devises a small number of outcome agreements that cover the whole public sector
- These outcome agreements be derived from evidence based research from across the world focussing on small countries in a devolved environment
- Local deliverer's have freedom to determine how outcomes are delivered

Theme 2 – Scale and Capability and Theme 3 – Complexity

There can be no doubt that the scale and complexity of the public sector in Wales is unsustainable. The role of the citizen and communities in dealing with demand management, changed service models and the creation of community capacity cannot be overestimated. Personal responsibility for Health, Well Being, the Environment and much else is a key to managing and reducing demand.

Again some general points:
- The starting point again should be outcomes. The question of local, regional, national is well documented and a number of models exist. The presumption should be local unless evidence exists of better outcomes or cost savings at a regional or national level. A simple measure is that as interventions become high cost and low volume the case for regional/national becomes increasingly made
- There is strong evidence that it is increasingly difficult to recruit and retain senior specialist staff in Wales, particularly in Social Services and Education. It is however at least arguable that policy divergence is also a major negative factor. In Swansea clear political priorities around poverty and social condition do allow a more informed debate on priorities
- Workforce planning and succession planning whilst essential are extremely difficult to deliver in a time of severe downsizing. The absence of standard pay and conditions leads to authorities competing for scarce resources, for example social workers. There is evidence that suggests as LA's hit

performance problems they simply outbid their neighbours for key personnel potentially transferring the problem and driving up salaries

- Inevitably size does impact on overhead distribution etc but almost certainly no more than the excessive performance and accountability regimes. There is no evidence that larger organisations deliver better outcomes (or vice versa!)
- Arguably you can be too big as well as too small. If we wish to improve citizen engagements and focus on outcomes organisations must be recognisable at a local level. Whilst there is a commitment to maintain the LHB configuration neither their size or their names lead to easy public association

As indicated in the introduction there is an urgent need for delayering and simplification. Austerity also determines that less organisations can be afforded. Overhead savings can be achieved but it is demand management, service change and community capacity which is needed to deliver the level of savings currently needed.

Whilst wishing to avoid falling into the 'structure trap', once the vision, values and outcomes are set some obvious changes/questions are likely to arise:

- How can health/social care/well being be delivered unless through one organisation focussed on integrated pathways
- Why have separate Fire Authorities, given that these simply comprise LA members in a different guise
- Wales must have a single economic regeneration strategy delivered via City Regions (where existing)
- Education improvement needs critical mass larger than the current individual LA model
- Back office services (property, ICT etc) should be based on regions or hubs

The collaborative agenda following the Simpson compact has been extensive and diverse. Major projects on Social Care and Education are underway. A range of smaller services have been reviewed. Collaborative effort has not just looked at the savings agenda but also resilience and service management. A separate report from the ODSI group will review progress and it is recommended that the commission review this report. There can be no doubt that collaboration is making performance management and accountability more complex. In this area alone:

- Education collaboration is over seven authorities with three hubs (in our case two authorities), the hub reflecting the real improvement focus
- Social care collaboration is over three authorities and one LHB
- Waste management is over five, seven or nine LA's
- The City Region is four or five LA's

Just taking the Education example the LA remains accountable but now has a Region, a Hub, Governing Bodies, the Minister and Headteachers all with differing expectations (!).

Theme 4 – Governance Delivery and Scrutiny

Some key issues arise from the questions in this section:

- Without the vision, values and outcomes that we are identifying as necessary it is difficult to conclude, despite best efforts, positively in this area
- A simplified, delayered Public Sector would facilitate scrutiny and increase accountability across organisational boundaries which can focus on outcomes
- The current regulatory regime attempts to bring together judgements of the WAO, Estyn and CSSIW, this is welcomed. But they still each promote excellence in their respective fields irrespective of the impact in other areas. A single inspection regime based on a small number of agreed outcome measures is needed
- There are examples of excellent political scrutiny driving service improvement. In our own case Child & Family services is a pertinent example. However to be truly effective scrutiny needs to be pan public sector and truly engage residents and service users
- Scrutiny by ministers is negatively focussed and invariably uses the language of intervention. Once the vision and values are in place scrutiny driving improvement needs to become the model

Theme 5 – Culture and Leadership

Our introduction emphasises the absence of a shared vision, values and culture across the public services in Wales.

In our case the political priorities of Council have been determined and publicly adopted by Council. These priorities are both long term and extremely challenging. Dealing with poverty and inequalities and targeting our efforts on those in greatest need has created a clear focus for all that we do. Establishment of cross cutting themes for Cabinet Members and Directors covering for example sustainability, opportunities for young people, poverty and target areas create strong cultural signals to the organisation and partners alike.

From these clear priorities are derived our overall single integrated plan, our strategic projects, our business plan and our appraisal system.

A focus on innovation and continuous improvement is as much a mindset as a set of procedures.

The key issue here is not what individual organisations can claim to do. If the public sector continues to be overly complex, consisting of multiple levels and varying accountability frameworks individual effort will be diluted.

Theme 6 – Welsh Government

- There is no clear vision, values and focus on outcomes. A clear foresighting exercise is needed and a focus on outcomes and added value not process
- The language of accountability is negative focussed on intervention not improvement

- New policies are formulated without a focus on outcome measures or costed proposals
- The policy framework and commitments at Government level are very strong however they are often silent on the change strategy. An expectation that we provide all that we do now and deliver improvements in all areas creates an undeliverable aspiration based programme
- Funding and performance arrangements are as indicated earlier too numerous and too complex. There needs to be a bias towards, and small number of, outcomes and less concern about process

Many of these comments keep taking us back to the introduction and can be summarised:
- WG needs to set out a vision, backed by values and outcomes
- The public sector needs delayering
- Accountability agreements should be simple, consistent and based on evidence
- We need a public sector committed to developing community capacity, managing and reducing demand, early intervention and customer focus