



A Partnership to Save Edinburgh's Services



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1. INTRODUCTION

- 1.1 This proposal for a partnership to involve the trade unions and front line staff in a debate on how best to deliver high quality, responsive, accountable and efficient local services is based on an assessment that radical change is needed to meet the challenges local government has endured and will face.

It does not seek to change the fundamental roles of policy-makers, management and operations, nor to replace existing collective bargaining arrangements. However, it does outline a parallel process for reducing conflict and working together to protect and develop jobs and services.

- 1.2 While concentrating necessarily on the involvement of those who deliver the services, it also recognises the need for that debate to involve the users of services (always remembering that council staff themselves are also service users and council tax payers). That debate needs to be at council level and also directly with those who provide the services at the point of delivery.

- 1.3 It recognises the danger that continued under-resourcing, insensitive planning, upheaval and conflict risks decreasing public confidence in local government and therefore public support for the services it provides.

- 1.4 It assumes a context whereby it is unlikely that local authorities will be able to look forward to significant increases in funding, at least in the short term. That requires everyone involved with local authorities; councillors, officials, workers, trade unions, the voluntary sector and the public to:

a) look to short term options that protect in-house jobs and services until longer term planning can be developed

b) avoid short term "fixes" which undermine longer term options and which will lead to an irreversible destruction of local government infrastructure

c) look radically at the longer term protection, organisation and delivery of services in the future.

- 1.5 It argues that those who deliver services on a day to day basis have an indispensable contribution to make in protecting and developing those services and in making them more efficient and more responsive to the public. If they are given the opportunity to make that contribution on a partnership basis they will invest more in the services, have more trust in management and the council, will adapt better to change and will come up with radical answers to long-standing problems.

- 1.6 The experience elsewhere is that people approach such an exercise with flexibility and commitment, putting the service before self interest. But because this has to be based on trust and a belief that their efforts will have constructive outcomes, workers need to have up-front guarantees on minimum protection. Fundamental to this would be a guarantee of no compulsory redundancy.
- 1.7 It briefly outlines the problems Edinburgh and Lothian faced over the last 20 years which created a lack of stability and consistency that caused enormous problems for service delivery. It recognises that, despite this, the councils have at times taken imaginative measures to maintain and improve services .
- 1.8 It contends that 'stop go' policies, redundancies, reductions in service standards and a move towards arms length provision are ineffective and, rather than protecting local government or making it appear more cost-effective, will inexorably lead to the reduction of its role, its effectiveness and possibly its very existence.
- 1.9 Healthy and imaginative public services, responsive and integrated infrastructures and the quality of life they bring have been shown to stimulate the local economy. The undermining of the role of local government would therefore not just affect services but the whole local economy.

2. BACKGROUND

- 2.1 Since the late 1970's, most councils have had to face a changing climate from an encouragement to spend and build infrastructure and services, to more and more measures designed to curb and reduce spending. Edinburgh's predecessor councils have faced disproportionate attacks on their funding. Both Lothian Region and Edinburgh District encountered serious crises in the early 80's resulting from needs and grant calculations, 'punishment' grant cuts, removal of Housing Support Grant and unrealistic capping, etc.
- 2.2 These crises were encountered at a time when the councils' administrations believed that confrontational political action could alter the situation, ie the government could be 'taken on'. Initially, there was co-operation between the unions and the councils towards that end, but as the crises developed neither of the workforces or councils were prepared to follow a 'do or die' route.
 - 2.3 In the event, with some adjustments, the cuts effectively went through. Changes of administration aside, the Labour councils moved in their political perspective towards a more pragmatic approach in facing the continued cuts over the next ten or so years. This involved a range of innovative financial and policy measures which at times even allowed growth in some services.
- 2.4 Other direct attacks on the ability of local authorities to plan and deliver integrated and efficient services included government housing policy, transport deregulation, local management of schools, incorporation of FE colleges etc.

These were always designed more to undermine the role of the local authority than to deliver any benefits to the service user.

- 2.5 Compulsory Competitive Tendering brought a major body blow to councils. It was and is unnecessary, wasteful and unsettling. Most contracts were won in-house, despite councils often being disadvantaged by regulations that tended to favour private contractors. This was not without cost and many of the lowest paid staff had to take reductions in pay and conditions before the implementation of TUPE. What was clear time after time was that councils could not be beaten on quality.
- 2.6 Community care has effectively transferred the blame for underfunding from the government to councils and has forced them to cease some of the provision they once made and pushed more and more provision onto charities, the voluntary sector and profit-making organisations.
- 2.7 While the Poll Tax caused major financial problems, Local Government Reorganisation brought the most recent long term threat. The hastily outlined plan, the gerrymandering and the high costs for which councils were not compensated led to another crisis. On top of this were highly questionable grant settlements that led to compulsory redundancies for the first time under any administration, irrespective of political party.
- 2.8 The election of a Labour Government in 1997 has not altered the situation dramatically and is unlikely to do so for some time, if at all. There had been a hope that, even if the finances were not available, a Labour government would at least understand the problems of local authorities. Instead, it seems that policies are being driven by the English experience and little or no regard is given to the different culture in Scotland and the higher expectations about public services and the role of local authorities. (The more recent debate about the Barnett Formula will also be an issue).
- 2.9 There are great hopes that a Scottish Parliament will be far more in tune with this ethos. UNISON's work on the Constitutional Convention, along with others, ensured that moves even from within the Labour Party for, effectively, a super-local authority were sidelined in favour of real devolution and an ethos of subsidiarity. Labour delivered admirably on this in the White Paper and subsequently on commencing the consultation exercise on the relationship between local authorities and a Scottish Parliament.
- 2.10 Local authorities may be able to look forward to direct control over more of their income which would help alleviate the disproportionate effects on council tax from quite minor movements in expenditure.
- 2.11 Local authorities may have some optimism that the squeeze will reduce at the end of the government's two year commitment to the last government's spending limits. If this is the case it would further underline the need to address short term solutions which do not undermine the long term future of local government.

- 2.12 However, even within these scenarios, it is unlikely that local authorities will be able to look forward to significant increases in funding. That gives a responsibility to everyone involved; councillors, officials, unions, the voluntary sector and the public, to look at radical ways to protect jobs and services in the future.

3. ATTEMPTS TO DEAL WITH THE PROBLEM

- 3.1 Initially, the problems of underfunding were dealt with via unpalatable local taxation rises. Latterly, financial and structural methods have been used to minimise the areas that are taken into account in assessing expenditure. This has always involved cuts in services and jobs, but more recently those cuts have been drastic and the issue of compulsory redundancies has arisen.
- 3.2 Another method of dealing with the crisis has been to deliver some services at arms length, taking away the need to maintain a permanent workforce or to make any long term commitment to the service itself. Some aspects of the voluntary sector can be seen in this light. More recently, there have been trusts and a move towards 'outsourcing' and unnecessary voluntary tendering.
- 3.3 The City of Edinburgh now appears to be considering plans that could drastically reduce direct provision of services or service support - what the previous government referred to as the 'enabling council'.

4. THE DANGERS OF 'ARMS LENGTH' PROVISION

- 4.1 The 'enabling council' concept is the death knell for the significant social, democratic, economic and politically protective role that local government has by and large successfully delivered, especially over the last 18 years.
- 4.2 The ability to strategically plan, to integrate, to cross-subsidise and to respond to special needs across a local authority area were already undermined by the narrow political drive to move away from two tier local government. This, and the inherent "economy of scale" will be further undermined by a process of arms length provision which would lead inevitably to compartmentalising resources and probably to wasteful duplication and competition.
- 4.3 This loss of economy of scale, with less and less co-ordination and integration of services, will ironically lead to the authority being seen as more bureaucratic and more impotent in its ability to offer a 'one door' service to the public or make basic decisions regarding service users' needs when more than one arm of the council is involved.
- 4.4 Political decision making would be hampered and hide-bound by contracts, service agreements and wasteful internal markets which have been shown to be so damaging in the NHS.

- 4.5 Obviously there are a host of complex issues that could be addressed here. But suffice to say that once the process gets hold, it would be irreversible. It is difficult to envisage when local authorities would ever be in a position to bring 'outsourced', privatised or trust status services back in-house even if it wanted to. Very rapidly, the infrastructure that would make that possible, let alone the finance, would disappear.
- 4.6 The result will be vastly reduced political influence for local authorities, both in terms of local issues and national or European issues. There would likely be a need for fewer councillors and a growing distancing of local councils from their electorate. That will undermine what accountability there is and flies directly in the face of the concept of subsidiarity inherent in the plans for a Scottish Parliament.
- 4.7 The effects on the workforce both as individuals and as a resource for the council and the community would be disastrous. Short-termism would prevail with a significant reduction in the pool of experienced staff with the very specific skills needed for many local government services. The market would begin to dictate far more than it does now in terms of wages with some being forced down, but many forced up because of the scarcity of the skills and the need to compensate for the lack of security. Most significantly, the element of loyalty, so much under stress currently, would all but vanish.
- 4.8 The ability of councils to exert all but minimal influence over services would be seriously affected, despite quality assurance measures and contract issues. As has been learned from CCT, once the entirety of any part of a service is run outwith the council, the level of council influence is limited by the fact that the service has to be provided. The experiences elsewhere in the early days of privatisation highlight the problems when a service is not being provided and the council is powerless to provide any alternative.
- 4.9 The opportunity for 'sleaze' would increase considerably in a climate where a relatively small number of councillors, officials and business people would be interdependent on each other for their influence and income.
- 4.10 However, it is not enough merely to warn of the dangers of 'outsourcing' and the 'enabling council'. Some of the problems of compartmentalisation, communication, cross-billing etc already exist in terms of artificial divisions between departments and this needs to be addressed. Such problems can frustrate efficient use of corporate resources and can create insurmountable bureaucratic boundaries to making otherwise quite straightforward operational or strategic decisions. Clearly there are problems regarding budgets, accountability to committees etc, but many cross departmental issues could be addressed via the standing 'Partnership Groups' outlined below.

5. PRINCIPLES FOR PARTNERSHIP

- 5.1 Local services should be democratically accountable and responsive to users through active consumer involvement initiatives at all levels.
- 5.2 There is a need to capitalise on staff commitment to public service. This is often the element that is ignored in exercises that attempt to 'update' services and the way they are delivered.
- 5.3 There is a need to capitalise on the benefits of economy of scale and use this to act in a more corporate way, integrate services more, break down internal barriers and develop much more of a one door approach. The departmental system will still be essential to deliver and develop services, but opportunities need to be sought to break down unnecessary divisions at operational and particularly at planning level.
- 5.4 Except in exceptional circumstances or where legal restraints apply, service provision and support functions should be directly supplied by the council. Attempts should be made to ensure that the council's services and workforce are protected as a long term investment that builds skill, experience and the knowledge to constantly assess and upgrade provision in a planned and considered way, promoting the continuity that is so essential for the development of services.
- 5.5 'Best Value' should involve staff and unions in developing strategies that ensure improvement in quality and cost-effectiveness, but not on a 'cheapest is best' basis.
- 5.6 The local authority has a duty to lead in areas like equality, health & safety and working pay and conditions.
- 5.7 Some aspects of services will continue to be put out to tender (as they have always been). This should be work that cannot efficiently be provided consistently by the authority, eg one-off projects, projects requiring special skills unavailable within the council and some 'seasonal' tasks.
- 5.8 When tendering is considered, wide consultation should take place first to ensure that the work could not effectively be carried out within existing resources. Regard also has to be given to the need to integrate and cross-subsidise resources. For example, some staff may do different tasks at different times of the year, perhaps even for different departments or functions. This is a flexible use of staff resources which avoids the need to hire and fire on a seasonal basis.
- 5.9 Where tasks are regularly put out to tender, consideration should be given as to whether it would be better to provide more consistency and build a body of skills and knowledge in the council by using existing staff or employing additional permanent staff. Training and diversification also needs to be

addressed to maintain a workforce with updated, transferable and relevant skills (see 7 below).

- 5.10 More attempts should be made to 'sell' the value of directly provided local services. It is frustrating for staff to see other local authorities launch 'new' initiatives which they know have been regular practice in this authority for some time. It is also frustrating to see private initiatives promote practice which has been developed by council staff. In some circumstances these developments have been thwarted by council cuts or by inflexible decision-making structures at management and political level.

6. UNDERVALUING STAFF AND WASTING A RESOURCE

- 6.1 The council needs to recognise the frustrations of staff who are committed to the service they provide and who put considerable dedication into that task. There is no sympathy amongst staff for the minority of 'time-servers' and they are frustrated by systems that seem more and more to tar all staff with this brush. .
- 6.2 There is a need to recognise that front-line staff have to deal with the frustrations of the public and are often faced with defending the indefensible in terms of lack of resources or inflexible systems. Opportunities need to be given to staff collectively via their trade union to influence services and promote the recognition of good practice in terms of 6.1 and 6.2.
- 6.3 There is an increasing problem of low morale due to cuts, feelings of being undervalued, overwork and stress. Morale is also greatly affected by the issues in 6.1 and 6.2 above.
- 6.4 More thought needs to be given to staff development schemes that allow a voice to, and capitalise on the contribution of workers who are committed to developing and improving services. This cannot be achieved by crude and mistrusted performance appraisal schemes, but can be addressed by creating innovative opportunities and effective consultation and involvement schemes.

7. TRAINING

- 7.1 If more flexibility is to be achieved, there will be a need for more integrated training packages, including more use of SVQs etc, to address changing ways of working and to equip staff to take on more varied, interesting and rewarding tasks.
- 7.2 There are parallels with the diversification that has been required in areas like the printing industry. Training needs to address the fact that staff may need new skills, as well as updated skills, and that they will increasingly need skills which can transfer across functions.

- 7.3 Other projects have pointed to the importance of more interesting jobs and job satisfaction as key elements which compensate for the upheaval and flexibility required in any radical review of operations.

8. DIRECTION

- 8.1 There is a need for clear political, professional and managerial direction in planning. There is a developing danger that a lack of consensus and clarity and an increase in tensions can lead to chaotic and unresponsive reorganisations.
- 8.2 There is an increasing belief among staff that politicians are failing to adequately brief themselves and are lurching from one 'flavour of the month' to another in directing services.
- 8.3 There is a need for more dialogue between service providers and their trade union at multiple levels, service users and politicians on an ongoing basis.
- 8.4 There is a need to ensure that staff fully identify with and 'own' structural changes and changes in focus or ethos. Without that, any changes can be merely window-dressing.

9. CONSULTANCY

- 9.1 Any review of services, functions or structures should start with the people directly involved at all levels. Too often their views and ideas on the development of these areas are ignored or never heard, and recommendations are made by 'experts' who have no direct knowledge of the practicalities of operating services or functions in the context of public service.
- 9.2 There is a place for outside consultants where the skills, knowledge and in special cases, the independence is not available within the council. This would only be in rare circumstances. The recent use of ex-employees as consultants demonstrates that the skills were available in-house. It has been widely accepted that where consultants are brought in for organisational reasons, they generally learn more from councils than they contribute.
- 9.3 There is a concern amongst those who provide the services at 'coal face' level that advice from outwith local government can be misinformed and can attempt to impose private sector solutions inappropriately to address public sector problems. There have been additional concerns that some of the solutions imposed (internally and externally) have been out of date by the time they are implemented. In this context we refer to organisational changes implemented within the council at times when such initiatives are being reviewed and changed elsewhere in light of experience.

10. VOLUNTARY SECTOR

- 10.1 There is a crucial role for the voluntary sector in developing and providing innovative services at local level. This should be done on a partnership basis with consideration given to the council taking over proven initiatives, while freeing up the voluntary sector to develop further new initiatives.
- 10.2 There is also a role for the voluntary sector in community and neighbourhood projects where self help and the need to identify with the organisation as 'independent' of the council are issues. However, the reality of funding arrangements has to be recognised as does the reality that complete independence is unrealistic within current funding arrangements.
- 10.3 There is a growing danger that the voluntary sector may be seen as a 'cheap option' alternative to direct provision. The fact that many voluntary sector workers have moved from parity with directly employed staff to lesser conditions adds weight to this view. If such conditions are undermined it presents a serious risk to the strategy of ensuring services are delivered by appropriately trained and experienced staff. This situation cannot be allowed to continue.
- 10.4 There is a need, already being tackled by the council in some areas, to provide more professional support and guidance for management committees with clear expectations about service delivery, staff conditions and issues of equality and health & safety.

11. CONSULTATION & PARTNERSHIP GROUPS

- 11.1 While recognising that the responsibility for and the control of effective policy making and strategic and operational management must remain at the appropriate levels, there should be widespread consultation with the workforce and the public at all levels on the direction of council functions and services and on the delivery of these.
- 11.2 In terms of the workforce, this should include 'anonymous' consultation via a structured and time limited suggestions exercise.
- 11.3 There should be a council-wide Partnership Group comprising politicians, management, trade unions and agreed nominated 'specialists' from each participating group to evaluate and address the purpose, principles, efficiency and delivery of functions. Practitioners should be involved in this group with the freedom to challenge and honestly communicate the practical issues resulting from council policies. This would take the form of a more highly developed and specialist 'works council' structure.
- 11.4 Such a structure should be developed at departmental level, and where appropriate, at sectional level within departments.

- 11.5 Systems should be developed to include input from service users into these groups.
- 11.6 There should be an organised 'whistle blowing' structure with a nominated officer in each function with the power to investigate and report on issues brought to their attention.
- 11.7 There should be an ability for any participant in these groups to bring forward suggestions and plans for the development of services.
- 11.8 There should be provision for briefing and question and answer sessions with relevant groups of staff on planning, budgeting and other service delivery and structural issues.
- 11.9 These groups should use the existing council resources to the maximum, ie specialists in the professional task of service delivery, in finance, in management and information, personnel etc. They should have the ability to request reports from such specialisms or to request regular or ad hoc co-option on to any specific group.
- 11.10 A voluntary sector forum should be set up comprising representatives of voluntary sector organisations, trade unions, management of funding departments, personnel, appropriate community groups and politicians. This should address issues like planning and integration of services as well as issues surrounding parity of conditions.

12. SUMMARY

- 12.1 The proposals in this document recognise that the local authority has had to deal with years of under-funding, uncertainty and instability and that this is likely to continue at least at some level, even with a more sympathetic government and the advent of a Scottish Parliament which is likely to have a greater understanding of the Scottish ethos of public service.
- 12.2 There is therefore a need to attempt to radically review the provision of local services to maintain them as long term, consistent, directly provided, democratically accountable and responsive to local needs and wishes.
- 12.3 This requires flexibility from management, unions and staff. That will only come from a system that promotes the trust and full participation of the staff that deliver these services via their trade unions and needs to capitalise on their skills, experience and knowledge, otherwise the exercise will be expensive, wasteful and probably resisted formally or informally.
- 12.4 The solutions of the past with reorganisations from the top down, stop and start policies, cuts and reductions in service which are finance based rather than

properly evaluated, the questionable use of outside consultancies, wholesale outsourcing and 'flavour of the month' new thinking are not appropriate and will lead to the eventual destruction of effective local democracy.

- 12.5 The way forward is formal partnership structures that involve and respect the skills, experience and commitment of staff, co-ordinated collectively via their trade unions but ensuring that those actually doing the job have a key involvement.
- 12.6 There is a need to develop ways of including service users in such partnerships.
- 12.7 The development of such a joint approach would make for a powerful lobby to seek short term breathing space from government to allow the longer term solutions to be developed.
- 12.8 This will be achieved by key proposals in this paper, which include:
 - 'Partnership Groups' involving councillors, management and unions, with nominated practitioners, at corporate, departmental and sectional level where appropriate, to involve and seek solutions from the people doing the job.
 - Systems at the level of these groups and at the point of delivery for involving and consulting service users.
 - A training and development package to develop and diversify skills to make the most efficient use of staff resources, to build consistency and stability, to make jobs more rewarding and interesting and to protect jobs and services.
 - A voluntary sector forum to integrate and support initiatives and to ensure consistency of conditions.
 - Protection for staff with a no compulsory redundancy element to engender an atmosphere of trust and co-operation.