



Briefing 11/24

April 2011

Scottish Parliamentary Elections – Party Manifesto’s.

To: All Chief Executives, Main Contacts and Email Contacts (Scotland)

CC: All Chief Executives, Main Contacts (England, Northern Ireland and Wales)

This APSE Briefing highlights the key issues and implications for the local government sector following the publication of the respective party political manifestos for the Scottish Parliament election in May 2011

Key issues

- The four major political parties see the reform of the public sector as a priority; this will clearly impact on the local government sector.
- The respective party political manifestos seem to reject the wholesale restructure of local government, however reference is made to the potential benefits of aggregating and centralising particular services and removing them from the direct management and influence of local government.
- There would appear to be some degree of common ground on the need for local government to share and collaborate in providing particular services.
- There is recognition that the funding of local government requires a review to ensure future settlements are fair to all Councils. There are commitments to reviewing funding formula/distribution mechanisms and to seek out alternatives to the Council Tax. There are commitments to maintain a Council Tax freeze.
- There is support for the continued focus on the public sector to be outcome driven rather than input driven.
- There is a common perspective around commissioning/procuring services in terms of this being placed in an outcome context.

1. Background

1.1 The respective political parties in Scotland have now prepared and produced their respective party political manifestos for the forthcoming Scottish Parliament elections in May 2011. Subject to the outcomes of the elections the respective manifestos and supporting policy commitments may find their

way into the necessary Programme for Government which will detail the overall strategic direction for Scotland in the years ahead.

1.2 The four main manifesto's produced are:

- Scottish Conservatives – Common Sense
- Scottish Liberal Democrats – Solutions for Scotland
- Scottish Labour – Fighting for what really matters
- Scottish National Party – A Scottish Government Working for Scotland

1.3 All of the respective political party manifestos make considerable reference to the need to reform the public sector in Scotland. Clearly, this impacts on the nature, purpose and service delivery arrangements of local government and Councils.

2. Scottish Conservatives “Common Sense”

The key manifesto commitments relating to the public/local government sector include:

Growing the economy

- Placing a duty to promote economic growth on all public agencies
- Establishing a best practice outlet for local government support for business to ensure that all local authorities are able to deliver targeted support
- Expanding the current Business Gateway Service
- Reviewing the current planning system to ensure it is more business led
- Establishing a Roads Maintenance Fund to meet the costs of repairing the roads infrastructure and a requirement to subject roads maintenance work to further tendering
- Retaining and reforming the Scottish Futures Trust ensuring it is more active in producing and delivering capital projects

Reforming public services

- Equipping the voluntary sector with a “right to bid” for public sector contracts
- Introducing multi year funding for public sector organisations
- Requiring all public sector organisations to report on the proportion of their contracts placed with the third sector
- Encouraging the use of Social Impact Bonds

Specifically in relation to local government the manifesto suggests:

- The introduction of elected provosts for Glasgow, Edinburgh, Aberdeen and Dundee
- Abolishing the current Concordat arrangements between the Scottish Government and local government via COSLA
- Reviewing the funding formula for local government in collaboration with COSLA
- Incentivising the use of shared shares by amending the local government funding formula and requesting the Accounts Commission to report on its uptake
- Continuing the current pay freeze for public sector workers until April 2013 for those earning above £21,000
- Subjecting senior posts and their salaries to an independent pay assessment process which also includes bonus payments
- Requiring all public sector organisations to formally publish absence data and establishing specific absence targets for each organisation
- Encouraging local authorities and public organisations to report on the proportions of their budgets that are subject to shared service delivery arrangements

Reforming our schools

- Encouraging state schools to “opt-out” of the local government sector and be run independently, enabling stakeholders including parents and not for profit trusts to establish “new” schools

3. Scottish Liberals “Solutions for Scotland”

Growth and jobs for Scotland

- Supporting local businesses in accessing public sector contracts
- Encouraging improved procurement in the public sector including:
 - *Reviewing aggregated contracts and their impact on businesses*
 - *Focusing on the procurement of improved outcomes*
 - *Placing a requirement on public sector organisations to produce information on local procurement spend*
- *Changing the focus of Scotland Excel, moving it away from a one size fits all approach*

Climate Change/Energy Efficiency

- Taking forward new universal home insulation schemes to be run by local authorities in partnership with other organisations
- Commencing a programme for insulating and using low carbon energy in every public building

Waste

- Establish a comprehensive waste prevention programme to cover household, commercial, packaging and industrial sectors in order to cut waste volumes in half by 2020
- Produce a strategy for on-street recycling
- Establish a strategy for the use of electric/low carbon vehicles, rolling out the necessary infrastructure to make ownership a reality
- Encourage public sector organizations to produce low carbon vehicle

Housing

- Bringing Scotland's 70,000 empty houses back into use
- Introducing new forms of funding to support the social housing sector

Local Government/Funding

- Rejecting proposals which aggregate and centralize public services
- Giving local authorities a power of general competence
- Introducing a Localism Bill which decentralises powers to communities
- Promoting greater local democratic oversight of public spending in areas which deliver efficiencies by removing duplication and promoting joint working
- Supporting Councils if they wish to develop "regionalism" in terms of the delivery of public sector services
- Reviewing the funding formula for local Councils making it fairer and more transparent
- Introducing new rules on average service support grant per head
- Encouraging the use of alternative funding innovations such as Tax Incremental Finance and the Local Asset Backed Vehicle Model

Public Sector Delivery

- Requiring organisations to do more to engage their employees in innovation, particularly in relation to tackling waste and duplication
- Introducing pooled budgets across the public sector/area, allowing for local involvement in priority setting
- Encouraging the Third Sector to provide and deliver services
- Reforming the procurement and commissioning process, particularly in relation to outcomes and introducing payments by result mechanisms, rewarding success in delivering outcomes
- Developing robust and objective means of maintaining outcomes to enable improved evaluation of results, holding commissioning organisations to account for decisions in relation to service contracts
- Increasing public scrutiny by requiring all local authorities to publish monthly reports on expenditure over £500

- Requiring Councils to produce details on a policy on salaries and bonuses for chief officers

4. Scottish Labour Party “Fighting for what really matters”

Building a more prosperous Scotland

- Identifying more robust efficiency savings across Scottish Government to include scrapping the Scottish Futures Trust
- Creating a genuine economic Cabinet to aid economic recovery, scrapping the Council of Economic Advisors
- Increasing the role of Business Gateway
- Promoting and supporting social enterprise and co-operative ownership
- Boosting the role of community interest companies within the mainstream economy
- Reviewing public procurement to ensure and encourage new supply chains

A healthier Scotland

- Establishing and delivering a national care service
- Ensuring the NHS remains a public service and is not subject to market values and protecting NHS spending
- Encouraging the direct elections of people to health boards, ensuring greater accountability for the health service
- Reviewing Community Health and Care Partnerships in the context of a new national care service

A safer Scotland

- Protecting frontline police jobs and police numbers with a new community policing team and localities
- Creating a single police force and fire service for Scotland

Stronger Communities

- Working to meet the Scottish Housing Quality Standard
- Exploring alternative funding mechanisms to encourage private developers to build new homes
- Establishing a taskforce to look into housing supply, examining the role of local authorities, housing associations and co-operatives
- Establishing an Empty Homes Partnership to stimulate the release of 25,000 long term empty homes
- Encouraging community ownership of derelict and rundown properties, encouraging their re-development

- Establishing a Fairer Scotland Commission to tackle poverty, equality and social exclusion
- Supporting the third sector in competing for public sector contracts
- Standardising and legitimizing the role of the third sector in relation to local government

Specific policy commitments include:

- Establishing a formal agreement with COSLA that is underpinned by national goals that support local priorities
- Developing structures that promote partnership working at a strategic level with key stakeholders
- Making economic development a statutory duty for local government
- Allowing local Councils to retain a proportion of the business rates to stimulate economic development
- Establishing a new City Growth Fund to support the development of cities
- Freezing Council Tax for a further two years to 2013, ensuring the freeze is fully funded
- Introducing reforms to deliver the intended benefits of shared services including strengthening procurement guidance

A greener Scotland

- Investing in emerging green industries, creating 60,000 jobs by 2015
- Establishing a Green New Deal for Scotland which will involve fitting solar panels and heat and power schemes to 10,000 homes

5. Scottish National Party “A Scottish Government working for Scotland”

Public Sector

- Freezing Council Tax for the next five years
- Providing Capital investment worth more than £11.5billion by 2014-15
- Keeping Scottish Water in public ownership, freeze water bills for two years and deliver a £2.5billion investment programme
- Promoting a Community Empowerment Bill to give local people greater say in their area, including taking over underused public buildings
- Direct “maximum funding” to frontline services, including £900million savings by implementing the public sector efficiencies in 2011-12
- Achieving a 25% cut in quangos by the end of 2011
- Improving the current planning system, including community involvement at earlier stage
- Committing to a policy of no compulsory redundancies in public sector.

Health

- Protecting the NHS budget with extra 1 billion over four years
- NHS to make further £300million efficiency savings in the next year, to be retained by NHS Boards for reinvestment
- Establishing single, integrated system of health and social care across Scotland

Justice

- Moving towards a single national fire and rescue service
- Cut numbers of police forces

Economy

- Establishing four new enterprise zones across Scotland
- Extending the scheme giving small firms access to public contracts
- Every company in receipt of a "significant government contract or public support" to produce training and apprenticeship plan
- New cities agenda, overseen in government by the deputy first minister who will also become cities minister, to help cities flourish

Energy/environment

- Increase domestic energy generation from renewable to 100% by 2020
- Support use of electric cars
- Keep the Forestry Commission as a publically owned body and forests in public hands

Education

- Continue drive to cut class sizes, especially in P1-P3
- Further cut teacher unemployment
- Create new Scottish Education Quality and Improvement Agency
- 1.5billion investment in new schools, with projects in every local authority area in Scotland

Transport

- Take forward projects including Borders Railway, M8 Baillieston to Newhouse, M74 Raith Junction and M8, M73 and M74 network improvements
- Continue strategy for improving A96 and fully dualling the A9 from Perth to Inverness

Housing

- Tough tenancy rules for those who commit anti social behavior
- Private Rented Sector Strategy Group to improve the sector
- Publish a national strategy on housing for older people

Sport/culture

- Continue funding for Active Schools programme
- Open school estates over and above regular hours
- Deliver, by 2014, at least two hours of PE in primary schools and at least two periods of PE in secondary schools for pupils S1-S4

6. APSE Comment

6.1 APSE considers that the reform of public services is a key priority for the incoming Government. In many ways it is entirely legitimate for the next Scottish Parliament to formally review Scotland's public sector service delivery arrangements as it has largely operated within the current arrangements since it was established in 1999. However, APSE is of the view that any proposals on reform cannot be used as a quick fix in response to the downward pressure on public sector resources. Parties need to avoid at all cost structural changes from the premise that it will save money and improve service delivery. Any reform process needs to be about the genuine reform and reconfiguration of public services in Scotland rather than a piecemeal reorganisation of particular organizations. APSE has legitimate concerns about the move to aggregate and centralise local government services or in some cases remove particular services out of the hands of local government altogether and place them into the hands of others. Any proposals concerning public sector reform needs to be coherent and rooted in an evidence base. Any model of reform needs to not just address structure, but potential synergy systems, staffing levels and style of working particularly in relation to the delivery of outcomes. In many ways outcomes should be the starting point when addressing the issue of public sector reform. Any reform proposal needs to address the issue of outcome delivery.

6.2 APSE is of the view that party political proposals should allow the local government sector to re-develop rather than further re-trench given the current/future financial environment. APSE considers that local government is well placed to lead on behalf of its communities in collaboration with its partners. Local government needs more flexibility from a financial perspective to determine local priorities; this is about exercising legitimate choice! By

passing local government through the centralization of health, social care and police, or encouraging schools to leave the sector, undermines the notion of accountability.

- 6.3 The increased demand pressures facing the public sector are significant particularly when viewed against available resources. In order to fund policies and services there is need to develop an appropriate funding regime for the local government sector which provides the necessary flexibility.
- 6.4 The interim solutions of extending the current Council Tax freeze for particular periods of time is concerning. Council Tax is the legitimate preserve of local government, not central government. Any proposed freeze would require full negotiation. Freezing the Council Tax removes the discretionary aspect of local government. In addition, local government would be solely dependant on central government for most of, if not all of its funding, this could result in the national determination of resources via ringfencing local government spend on national priorities. If Council Tax is to be frozen, it needs to be fully funded in line with inflation, other pressures and any future additional responsibilities.
- 6.5 APSE is also concerned about the extent to which a further round of efficiency savings is deliverable without damaging frontline services. Much of the "low-hanging fruit" went some time ago, there is a danger that the sector encounters significant cuts.

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