



# **Commission on Strengthening Local Democracy**

The UNISON Scotland Submission to the CoSLA Commission on  
Strengthening Local Democracy

**December 2013**

## **Introduction**

UNISON is Scotland's largest public sector trade union representing over 160,000 members delivering services across Scotland more than half working in local government. UNISON members deliver a wide range of services in the public, community and private sector. They are also service users, citizens and tax payers. UNISON Scotland, because of its democratic structures, is able to collate and analyse members' experience to provide evidence to inform the policy process. It is essential that their voices and those of all citizens are heard in the debates about Scotland's future.

We therefore welcome this CoSLA initiative and the opportunity to contribute to the Commission on Strengthening Local Democracy. UNISON is currently developing its policy in a number of areas covered by the Commission; therefore this submission is not our final word on the subject.

## **Overview**

UNISON believes that the public sector provides a means to both deliver services cost effectively and to allow citizens to participate in decision making and to engage with each other. Services must be designed through democratic process to ensure that they meet the needs of all citizens not just those with the most money or power. Local Government has developed over many years because the infrastructure and services needed, particularly to support growing urban populations, required both organisation and funding. No longer could a wealthy land owner build a road just to his house, the diseases caused by open sewers, refuse and dirty water spread everywhere. Business needed transport to get goods to buyers farther away than a local market. Many services like midwives, water and sewerage and power generation were once run by local government. The increased franchise meant services and structures had to take account of ordinary people and the demands they made.

People demanded better lives and access to services as a right: "charity" was a dirty word, what the great and the good thought that ordinary people should have or be doing: well-off ladies assessing your moral fibre before granting you a pittance. Public sector growth in the 20th century was about having a say in what services were available and providing fair and equal access to those services.

UNISON supported devolution in order to bring decision making closer to ordinary people, to make it easier for them to influence the decisions. This requires more than the devolution of more powers to the Scottish Parliament; the parliament needs to devolve power further into communities. So far there is little evidence of this happening. The moves to national police and fire services will do nothing to give ordinary people influence over these essential services. The commitment to teacher numbers tied to council tax freeze subsidy (and formerly police numbers) as well as the freeze itself means that power is flowing away from communities.

UNISON was opposed to the current 32 authority system, but has generally been opposed to reorganisation because of the disruption and cost that this involves. Big reorganisations tend to focus on structures not democracy and ensure that organisations spend time not on what people want, but instead inwardly focus on themselves. The question is how do we drive change to make services responsive to citizens and does this require better ways of making the current structure work or do the structures need to change. The Christie Commission suggested bottom up change, but so far all we see is increased centralised command and control.

## Questions

**LOCAL DECISION MAKING: Do you think that decisions about local issues and services are made locally enough in Scotland at the moment? If not, what does deciding 'locally' mean to you? Please illustrate your answer with any examples from your own experience**

The defining difference between public and private provision of services is democracy. This requires not just elections but ensuring that citizens can meaningfully participate in the decision making process. This requires decisions to be made as close to those affected as possible. Citizens also need adequate opportunities to influence the policy making and review process from start to finish. Not just a yes or no to plans. This means deliberate involvement in deciding the desired outcomes, framing the problem to be tackled and the methods used to achieve the agreed aims. All public bodies should have a statutory duty to meaningfully involve users as partners, not customers in the decision making process. To facilitate this, organisational structures need to be decentralised to appropriate levels for each function.

Increasingly decision making in Scotland is moving away from local towards national decision making. Local Government in particular is at real risk of becoming an administrative arm of central government. While many argue for increased centralisation, cuts in the number of councils and more national bodies to deliver services like the new Police Service, others have rightly pointed out that Scotland is already highly centralised in comparison to other European countries. For example, Scotland has on average 1 councillor per 4270 people while France has 1 per 125. The basis for the proposals from organisations like Reform Scotland is that economies of scale are created by centralising services, but there are real costs from failures caused when one size doesn't fit all. Top down solutions expect citizens to fit in to services, rather than services responding to the needs of citizens.

The council tax freeze and substantial budget cuts limit councillors' ability to make decisions about local services. The restrictions around how councils access the limited funding available to support the freeze further limits choice. In particular, the need to meet the government set target for teacher numbers and jobs for probationary teachers' means that a substantial proportion of their budgets is completely out with their control.

UNISON was not a supporter of the current local government structures and actively campaigned against them when they were originally introduced. Restructuring is costly and disruptive and is very difficult at a time of substantial budget cuts. Focusing on structures and delivery mechanisms rather than how we respond to the needs of Scotland's communities will not enable the delivery of high quality efficient services. What we need is to support communities to set their priorities, and then develop ways of working that respond to these priorities. This may or may not require structural change, but that question cannot be answered unless we decide what we want to achieve in the first place.

This requires the development of a range of skills from those delivering services both as staff and politicians to support community involvement in decision making, but also decision makers' ability to listen and take on board what people want. Communities are not homogenous there will be a range of views within them. The richest most powerful or well connected and articulate cannot be the only ones who get a say. Minority groups or individuals still need their needs met, even if it doesn't suit the majority. Otherwise we will continue to spend money dealing with the many problems created by poverty and

inequality rather than preventing them in the first place. As the Christie Commission highlighted, there are communities of place and also communities of interest.

**LOCAL ACCOUNTABILITY: How important do you think it is for locally elected people to be responsible for decisions about local issues and services? Do you have any examples of why this is the case?**

While we still face many challenges particularly round the impact of wealth inequality on the quality of life of our citizens, democracy has served Scotland well. Our substantial public services and welfare state paid for through taxation and national insurance (and direct charges) are the result of increased franchise and the demands of ordinary people for both direct services and a reasonable safety net. They have been hard battles to win and trade unions are rightly proud of the role they have played in achieving and defending the public sector. Internationally we see people in other countries struggling for the right to vote, not so they can turn up every few years and tick a box but so they can have a power over their lives.

Scotland is not a homogenous society and people need to be able to set their own priorities. That does not mean we cannot also set national priorities, just that there has to be room for local ones too. The best way to do this is to directly elect people to represent us at all levels of government. It is also essential that they have to interact with you on a regular basis to hear what you have to say. Even with Scotland's relatively large authorities, councillors still generally live among the people they represent; they use the same services, not just public services but also the same shops and facilities in the private sector they are visible and accessible not just formally at surgeries and public meetings.

Spending choices are they key choices that politicians make. It is funding that determines what gets done. The debates should be about whether we need new structures: smaller councils or a genuinely local layer of government as suggested by the Liberal Democrats Commission or whether the current structures can accommodate more local decision making. Decision making will need to include actual spending decisions.

We need to explore imaginative ways of pooling resources in communities to meet their issues. This can still work together with a national aim. So for example, an overarching aim of reducing health inequalities can involve a range of different projects depending on how those issues appear in a community. Changing spending decisions also means that different budget streams can be used imaginatively. The 'Total Place' concept supports the use of different services' budgets particularly around preventative spending initiatives. For example, health budgets are being used to supplement local authority budgets to enable pavements to be gritted. This means less people suffer injuries from slipping of icy pavements and needing costly emergency hospital treatments therefore saving money overall. Making pavements safe in winter also keeps people out walking and/or using public transport, which supports other initiatives like people being more active and cutting carbon emissions from cars.

Police services have a funded youth activities like street or night football alongside local authorities to create positive activities for you people both reducing crime and supporting their long term personal development and life skills. Again keeping people active and benefiting long term health improvement goals. We need to look to further develop this type "budget sharing" while also ensuring that communities get to set the priorities.

Top down government, doesn't leave room for local knowledge and requires substantial more skills and effort to influence. While the Scottish Parliament systems for consultation have been a big improvement, as the Reid Foundation research (Fair Access To Political Influence) indicates, less than 2% of evidence given to committees was by individuals or services users. It's not about ticking a box to say that people have been consulted. Listening to users means you get the services right, cutting back on waste and therefore also saving money.

**LOCAL PRIORITIES: How well do you think that communities' local priorities are accounted for in the way that national and local government works at the moment? What is effective, and if there is room for improvement, how should things change?**

UNISON believes that decision making is becoming increasingly centralised. While we welcome many of the findings of the Christie Commission and the call for a bottom up reform of public services, the same old ways of working continue and indeed we see the creation of national services, regionalisation of colleges centralising further education and increased control by central government of local authority budgets through cuts and the council tax freeze. Key to making these changes will be:

- Bringing services back in house to ensure democratic control where ever the services are placed in a structure.
- Elected councillors/MSPs/MPs need to become more diverse; too many are still male and white. Much more needs to be done to ensure that a wider range of people are able to take up these positions.
- Local government needs to have more power over its finances. This includes a local tax base, regaining control over business rates and exploring new forms of borrowing like Tax Increment Finance and borrowing from pension's funds for capital spend. Although pension funds also need improved governance and member representation.
- Spending decisions need to be made more locally and over a broader range of budgets. It cannot just be about local government budgets, people should have a say over all public spending in their communities. Centralised services run by NDPBs are directed by national not local priorities.

**STRENGTHENING DEMOCRACY: What do you think should be done to strengthen local democratic decision making in Scotland? Do you have any ideas or examples about how this could improve people's lives?**

In order to empower communities (and improve services) it is vital to listen to what people actually want rather than what lobbyists and salespeople are promoting. The key findings from *For the Public Good*: Natan Doron and Andrew Harrap are:

- 62% of people thought that public services should be provided mainly or only by government
- People were concerned about the practical implications of an enlarged role for non-state providers
- 64% agreed that public services should not be run like a business but depend on the values and ethos of public good
- While increasing user choice was the third most popular method for improving services, allowing private companies and charities to deliver more was the least popular option. 53% thought that when a politician used the phrase "public service reform" it meant a lot of time and money being spent on reorganising.

- The public place a high priority on staff having more power to drive improvements: 59% thought giving staff more decision making power would improve services.
- 70% thought improved user voice would improve services.

Information and communications about services are really important to people but only a small minority want to be involved in local decision making. What is clear is that people are not asking to take over delivery of services; just to be heard. People want to be able to be part of deciding what the problem is not just yes or no to proposals.

These findings compliment the Christie Commission which also found that people want a real say on their services, but there is little evidence of support for them to actually run those services themselves.

Communities are not homogenous whether they are geographical or of interest. Even in small rural communities there will be differing needs and more and less powerful individuals. UNISON believes that empowering communities through increased participation is not about transferring assets or ownership of services to groups of people, but about ensuring that citizens are consulted and listened to at all points of the process.

This requires appropriate resources. These are not just financial, though funding will be crucial. Politicians and delivery bodies will need to develop and improve listening skills and tools in order to get people together to discuss issues and also to ensure that the voices of marginalised groups, not just the most articulate and well resourced groups who are heard. Too much is focused of how citizens need to act in order to have more influence. Politicians and policy makers need to change the way they behave and who they listen to. They need to have wider networks in their communities. A report from Glasgow University: Sharp Elbows (2011) highlights the ways that those with better resources influence policy making and the role that policy makers and biases and individual and institutional levels continue this advantage.

That does not mean that UNISON believes the current structures are ideal. Consideration needs to be given to whether our city authorities should become bigger taking in their suburban areas, many who live in these areas work in the cities and are regular users of their facilities. This does not mean they cannot then further devolve decisions down into local areas within the city boundaries. Despite the changing face of council boundaries and wards within them in most people's minds there is a clear idea of the boundaries of their own community make up the city in which they live.

More rural areas may want a different solution. The geographical spread of towns and villages means that a more town/village level of local government may be more suitable. Public sector networks could then be used across wider areas to support delivery of services in partnership where necessary, for example transport or rural schools.

**SCOTLAND'S FUTURE: Has there been enough discussion about local democracy in the debate about Scotland's future? If not, what should be addressed and how might this be achieved**

The current debate is too focused on powers for the Scottish Parliament rather than powers for the people of Scotland. Also missing from the debate is using all the powers we currently have. There is for example widespread agreement that the council tax needs reform but instead of taking this forward the tax is frozen.

The freeze is not fully funded limiting local government funds. The commitments required in order to access this funding also limits councils' ability to respond to local priorities.

Local authorities currently have a "power to advance well being". The Westminster Localism Bill gives English authorities a Power of General Competence. The Liberal Democrats argue that extending this to Scottish councils as well as a redefinition of Best Value would help free local authorities to make more innovative use of their resources including brown field sites. The concept is that instead of telling local authorities what they can do instead (like the devolution of power to the Scottish Parliament) the law would say you can do everything except for reserved matters or issues that are contrary to the European Convention on Human Rights. The Liberal Democrats propose adding smaller burgh councils to bring more local decision making. Reform Scotland's proposals balance the creation of larger single purpose authorities with increased powers for community councils.

The Community Empowerment Bill currently making its way through the Scottish Parliament aims to give more ownership and control over local services to community groups. While on the surface this may seem to be increasing democracy there are issues concerning the risks of privatisation through the tendering process and about how community groups will be accountable to the wider community. A key driver behind the development of our public services was reducing power of the well-off (on charity boards etc) to decide who got support, what the support was and what you had to do in return. Our communities are not homogenous and there are big differences in the power and organisational abilities of individuals to influence decision making. It is essential that users of services have a say in defining the problems as well as the solutions.

There are other ways to ensure that decision making takes place as near as possible to the communities affected; reorganisation of local government to create smaller councils; a layer of burgh councils within local authority area; community planning; more powers for community councils. These changes focus on structures, but it is also possible to change ways of working and for community consultation to be more responsive to communities rather than resorting to costly and disruptive structural change.

Many of the anti poverty organisations, particularly those who work in international aid have expertise in ensuring that communities have a real say in both framing the problems and developing solutions to them. Participatory assessments and budgeting techniques have been developed in order to work with groups who have little if any education; this ensures that it is not just the best educated voices that are heard in these processes.

As mentioned earlier Total Place Budgeting allows all the different funding streams that different bodies have for an area to be pulled together to fund work that meets their common aims. There needs to be a wider discussion around what level decisions about services should be made and which services are best delivered at what level, nationally or in authorities at village/community level and how these decisions are arrived at democratically.

Again we see that there are strains between the savings that can be achieved through the economies of scale available to large centrally driven organisations and the costs of local decision making. This does not mean that central delivery is more efficient though as there are high costs to providing inappropriate services because one size does not always fit all. The submission to the Christie Commission from John Sneddon highlights the high cost of what he calls "failure demand" to public services<sup>1</sup>.

Improving services is about making them more responsive to the needs of users and those who currently don't use them because they are not suitable. These are examples of how improvement can be driven through more local decision making.

“Small is Beautiful: Innovation from the frontline of local government”<sup>ii</sup> by the Local Government Information Unit (LGIU) gives an overview of ten local projects which have improved services and provided real benefits to their communities. It draws together the lessons learnt in order to help others improve. The project looked at hundreds of examples of how small programmes on low budgets made a “decisive difference to their local area”. The LGIU has established that the key factors which allowed innovation (and therefore improvement) to flourish were: they were not top down initiatives, they were small, they had limited but crucial amounts of funding, they had a focused team to lead them and were given time to develop.

Systems Thinking in the public sector provides many examples of how listening to services users and staff leads to improved services and costs savings<sup>iii</sup>. A Scottish case study is Glasgow Housing Association. The key issues at GHA were; Rent arrears of £10.1m; Relet times for empty properties averaged 56 days; only letting 49% of houses within 4 weeks. Analysis indicated 89% failure demand from customers

With rent arrears many staff within the team felt that their purpose was to collect rent, yet very little of their effort focused on that. Efforts were instead focused on chasing arrears. When people signed their tenancy there were told what their rent was and given a rent card and that was that. All the rest of the work was on monitoring non payment, writing to give notice that it hadn't been paid then starting the legal process to instigate court proceedings. There were lots of automatic triggers but there was nothing in the process to take account of delays in the payment of housing benefit. There was no discussion with tenants about whether they could afford the rents they had taken on. No information was given to tenants about what they should do if they experienced difficulty in paying their rents or what the process and consequences of non payment are. By looking differently at the system and listening to those staff that actually do the work the system has been redesigned. Rent arrears have been reduced to £7.99m, end to end re-let time has been reduced by 13 days.

*Systems Thinking* gives many other examples of how the top down approach has failed in housing benefits, trading standards, police and elsewhere. How public service factories, like shared services, simply generate what they call failure demand rather than value demand. In other words we pay for transactions that deal with the failure of the system to deal with the service users problem first time. This points to a new public service model where staff locally are able to map the essential processes that resolve service users demands and devise appropriate delivery models. Best practice can be shared, but not imposed using targets. If we designed away failure demand and removed the targets culture the cost savings could be significant.

IT redesign in Newcastle. When Newcastle council wanted to outsource its back office IT services the UNISON branch was fully involved in the process. They wanted to improve services and make savings. UNISON strategy outlined the book “Public Services Reform But Not As We Know It” by Hilary Wainwright and Matthew Little shows how effective it is to involve staff and users in service design. The council has improved delivery and made savings through new technology. The strategy is based on a public benefit model rather than private profit. If the IT services had been privatised money would have lost as profit to businesses instead all savings were re-allocated to social care services.

Changing the way people work is challenging. The collaborative democratic approach meant staff being given the power to look at how work was done and to design new approaches across departments. There was a commitment to avoid compulsory redundancies meaning staff felt confident participating in the process. Newcastle achieved savings of £28m million<sup>iv</sup>.

New research by ORC International has also found that there is a clear link between employee engagement and customer satisfaction in local government. The report: Linking employee and Customer data – A new way forward for local government? found that there are clear links particularly when employees feel they are:

- Treated with fairness
- Aware of organisations' long term goals
- Proud to be working for the organisation
- Clear about what's expected of them in their job
- Clear that the organisation is committed to customer care

**OBSTACLES AND CHALLENGES: Do you have any concerns about strengthening local democratic decision making in Scotland?**

The main concerns are budget cuts, centralisation, privatisation and outsourcing and inequality.

Local government has borne the brunt of the austerity cuts. This means that services and jobs are being cut while demand for services has increased. The remaining staff have increased workloads and fewer resources. This leaves little room for the kind of meaningful interaction required to strengthen local democracy. It is very difficult to make time for the kind of strategic thought required under this kind of strain.

Cost pressures are leading to increased privatisation and outsourcing distancing delivery even further from our already central decision making process. Privatisation and outsourcing of service delivery weakens the accountability and ability of citizens to influence service delivery.

While in Scotland there is little appetite for the mass outsourcing of all public services there have still been substantial changes in service structures. The voluntary sector is a growing provider of services. According to figures from the Scottish Social Services Council (SSSC) only 33% of the care workforce in Scotland is employed in the public sector and only the island authorities and West Dunbartonshire have more than 50% of the care workforce in the public sector.<sup>v</sup> The care sector covers a range of areas and the outsourcing varies in each sector. Adult care homes is the largest section of care delivered in the private sector, the voluntary sector is also larger than the public sector in this area. The voluntary sector has the biggest workforce in housing support and home care and in residential childcare. The public sector is currently the largest employer in adult day care.

There is increasing use of arms length bodies like charitable trusts and limited liability partnerships, taking service delivery out with direct control of local authorities and therefore weakening the links between the councillors we elect and their ability to direct services.

Cost savings drive these changes but even if the loss of democratic accountability was deemed to be acceptable because of the costs savings there is very little evidence that these delivery models deliver savings other than through dodging tax.

While many, particularly private sector consultants selling their off-the-shelf solutions, punt the famed efficiency of the private sector the reality is very different. There are a range of private sector failures both in terms of delivering for the public sector and in the private sector; Southern Cross care homes and the BP oil leak in the Gulf of Mexico to name two. APSE has published a guide to bringing services back in house in response to the less high profile private failure to deliver in the public sector. There is clear evidence that privatisation costs, not saves, money<sup>vi</sup>.

Arms Length bodies are often used as an alternative to direct privatisation. Even as is currently the place in Scotland where they rarely not work across council boundaries, accountability is weak. Councillors on ALEO boards are the suggested route to accountability, but in order to meet the rules required to get the essential tax exemptions the number of councillors is limited. As Audit Scotland point out - councillors sitting on ALEO boards face a potential conflict of interest which can limit their ability to perform effective scrutiny or hold the ALEOs to account for their use of public money. The Companies Acts of 1989 and 2006 place a personal responsibility on all board members of a company to always act in the interests of the company and to abide by commercial confidentiality. This could clearly come into conflict with their role as councillors, either in their direct responsibility to the council or the community they were elected to represent.

The use of a range of ALEOs to deliver services also has an impact on the way services are integrated. We have increasing concerns that the use of culture and leisure facilities as part of a range of local authority strategies for healthier living and improved mental health will be hindered as they become increasingly separate for other public services.

Finally, despite losing control over the services, councils are not free from risk. When things go wrong the council has to step back in. This is either because it is a statutory service like libraries or because of political pressure as local people need the service. Annandale and Eskdale Trust had to ask Dumfries and Galloway Council for handout of £40 000 for its financial crisis. They were not prepared for the rise in fuel costs. Aspire Trust, which had a contract to run East Hertfordshire's Leisure services, was £500,000 in the red within its first year.

Wealth inequality in Scotland plays a key role not only in restricting people's life chances and health and wellbeing. Research like the 'Spirit Level'<sup>vii</sup> is beginning to explain just how widespread these problems are. This inequality also impacts on people's inability to influence the direction of the public sector so any attempts to support local democracy will have to ensure that all voices not just the already advantaged are able to influence decision making. UNISON believes that tackling this inequality in itself should also be the overriding purpose of public service delivery, in order to ensure that we not only mitigate the effects of inequality, but also reduce the inequality in the long term.

**We would like to keep the conversation going with you. Can you tell us about any events, networks or other ways in which we could help achieve this? Is there anything that we can do to support you?**

UNISON members are service users, taxpayers as well as public sector workers. They are therefore able to have a holistic view of the public sector. UNISON would welcome the opportunity to invite the commission to speak directly to members at any of the range of formal meetings we hold across the year. We are able to facilitate specific meetings with workers to enable the commission to discuss these issues with members

## Conclusion

UNISON is Scotland's largest public sector trade union representing over 160,000 members delivering services across Scotland. UNISON Scotland, because of its democratic structures, is able to collate and analyse members' experience to provide evidence to inform the policy process. It is essential that their voices and those of all citizens are heard in the debates about Scotland's future. We therefore welcome the opportunity to contribute to the Commission on Strengthening Local Democracy and look forward to contributing further in the work of the commission.

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<sup>i</sup> Submissions to the Christie commission

<http://www.scotland.gov.uk/About/Review/publicservicescommission/CallforEvidence>

<sup>ii</sup> The report can be downloaded from <https://member.lgiu.org.uk/whatwedo/Publications/>

<sup>iii</sup> Delivering public services that work: Systems Thinking in the public sector volume 1: ed Peter Middleton and Systems Thinking in the Public Sector by John Sneddon

<sup>iv</sup> See <http://clients.squareeye.com/uploads/compass/documents/PublicServiceReformWainwright.pdf>

<sup>v</sup> SSSC Scottish Social Services Sector: report on 2011 Workforce data

[http://www.sssc.uk.com/component/option,com\\_docman/Itemid,486/gid,2393/task,doc\\_details/](http://www.sssc.uk.com/component/option,com_docman/Itemid,486/gid,2393/task,doc_details/)

<sup>vi</sup> See Insourcing: A guide to bringing local authority services back in-house  
<http://www.apse.org.uk/publications/order-form/iinsourcing.pdf>.

<sup>vii</sup> <http://www.equalitytrust.org.uk/resources/spirit-level-why-equality-better-everyone>