A Proposal for a Single Public Authority in the Scottish Borders

1. Synopsis

1.1 This paper proposes a single public sector authority as the best means of driving a step change in outcomes for the citizens and communities of the Scottish Borders.

2. The Context

2.2.1 There are major challenges facing the Scottish Borders that require a more radical approach to the delivery of public services. These relate to:

- **Continuing reductions in public spending** and the need to ensure monies allocated to the area are spent in the most efficient and effective way, meeting local needs and supporting the regional economy and driving inclusive growth.
- **The connectivity challenge presented by a geographic territory of 1,827 square miles** (almost twice the size of Luxemburg), **and the fourth most sparsely-populated mainland Local Authority area in Scotland** after Highland, Argyll and Bute and Dumfries and Galloway. These significant connectivity issues apply to transport and digital and mobile infrastructure - with SiMD data showing that the Scottish Borders is particularly Access Deprived, with 34% of SoS datazones, in Scotland's 20% most access deprived. However, this data may still not effectively convey the level of challenge encountered in trying to establish connectivity across a vast area of distributed small settlements with limited population mass. The space and distances involved mean that the installation challenges of digital provision, for example, are quite unlike that in densely populated urban areas.
- **The acute demographic challenge of an ageing population and an outflow of young people.** By 2037, 51% of the Borders population will be over 50 years; 33% of the population will be over 65. At the same time, young people continue to migrate out of the region, shrinking the local workforce and accentuating the dependency profile - in 2017 the proportion of people of working age 16-64 was 59% in the Scottish Borders compared to 64% for Scotland.
- **Persistent social inequalities in society and the need to effectively respond to these in a way which is sensitive to the rural character of the Scottish Borders and the typically intra-communal nature of deprivation here.** Not only does this make it more difficult to identify those who need support, the distributed nature of deprivation creates a huge challenge in getting services to those who need them.
- **Weaknesses in the regional economy and local economic structures.** By most ordinary economic performance measures, the Scottish Borders significantly underperforms against the Scottish average: GVA per head in the Scottish Borders is 27% below the Scottish average,

while the median weekly wage in the Scottish Borders (by workplace analysis) is £467.8, £79.5 per below the national level (2017). Our region's reducing workforce participation (the working age population in the Borders is forecast to fall by stagnate until 2031, before declining thereafter) and over reliance on a limited number of sectors (e.g. 7.4% of the Borders population is engaged in agriculture and fishing, while it's 1.7% nationally) are already important structural challenges and leave the area particularly vulnerable to negative impacts from changes in the economic climate.

- The economic weaknesses referred to above could be more significant in light of **the vote in the UK Referendum in June 2016 to leave the European Union (EU)** and the need to position the Scottish Borders in relation to international trading, migration and policy changes to regulations and funding.   Specifically, the degree of reliance on agriculture and fishing, and the local economy's dependence on tradeable sectors within the region's small towns is predicted increase the Scottish Borders' exposure to any negative consequences of Brexit.
- **Cross – border issues** affecting the Scottish Borders arising from the impact of the increased devolutionary powers to the Scottish Government accentuating differences in taxation and welfare spending.
- **The rapidity of technological and economic change arising from digital innovation and the so-called 'fourth Industrial Revolution'.** The pace of technological innovation and adoption is only likely to increase in wider society. In response to these developments and public expectations, local authorities and their partners will need to transform how services are delivered and to look for new solutions to saving money and delivering better outcomes for communities with fewer resources.

2.2.2 To tackle these challenges there is a need to take a much more proactive view of public service transformation that is not just focused on Scottish Borders Council but involves other public sector partners. This is already recognised to some extent in the partnership work of the Scottish Borders Community Planning Partnership with its current focus on growing the Scottish Borders economy, tackling regional and local inequalities, service transformation and the ongoing partnership work as part of the integration of health and care services. Health and social care really are at the heart of this issue. The Council and NHS Borders are by far the largest employers and public services in the locality, and in health and social care they are wrestling with issues of ubiquity and unprecedented scale.

2.2.3 It is now necessary to go beyond this Community Planning approach and develop a model of public service delivery in the Scottish Borders which fully optimises the benefits of integration. We are clear that this is a Single Public Service Authority, embodying an outcomes-based approach which seeks to mobilise the full might of public sector assets, activities and resources, together

with those of the third and private sectors and local communities, in pursuit of the region's priorities.

3. The Case for a Single Public Authority in the Scottish Borders

3.1 We believe the logic of Christie and of the course charted by Scottish Government from the National Performance Framework to the Community Empowerment Act is to eliminate boundaries and obstacles between public service providers in delivering improved wellbeing for citizens. Exploiting the collective power and concentrated focus of a single organisation would enable the Scottish Borders to pursue a 'step change' in performance in optimising outcomes across a set of priorities specific to the region, but reflective of and complementary to national outcomes.

3.2 A number of broad principles of integration can be identified and applied to wider approaches to service delivery. These principles include:-

3.2.1 Scale, cross-cutting and complexity

Problems such as obesity, child abuse and social exclusion are currently beyond the capacity of any one organisation to understand and respond to. Too often agencies focus on acute problems and do so unilaterally, rather than coordinating efforts to address those factors which give rise to the problems in the first place. The Council and its partners are working together but co-ordination and co-production are hindered by the artificial boundaries which exist between multiple organisations. Thus, we need to go much further than has provided possible to date and, as envisaged by the Christie Commission, by focus our collective capacities on early intervention and prevention approaches. The logic of integration is that it will drive these efforts.

3.2.2 A single view of and common approach to the client

Recipients of public services and citizens in general should not have to concern themselves with organisational difference, but should expect and receive seamless service delivery. Yet, negotiating overly complicated and unresponsive bureaucracies has been a commonplace of dealing with the public sector. While not the prime motivation for a single public authority, simplifying procedures, eliminating duplication of processes, and creating a readily navigable service environment should be regarded as an essential corollary of such a development.

3.2.3 Instilling focus and reducing competition between agencies

Our current governance architecture is complex. For example, a recently established Older People's Strategy Programme Board will need to report to the Council's Corporate Management Team, the Board Executive Team of NHS Borders and the Integrated Joint Board. This is both inefficient and convoluted. A single public authority will eliminate ambiguity and should reduce the diversion

of effort typically expended in the competition for resources between different organisations.

3.2.4 Financial and Service Efficiency

Closer integration would enable more efficiencies and value for money through more sharing of offices, buildings, transport, support services and integrated staffing deployment. By its nature, it should also lead to a more joined up service for clients and the wider community.

4. Place

4.1 The need for bespoke remedies designed to meet specific challenges already seems to be accepted by Scottish Government; not least in its decision to create an Enterprise Agency for the South of Scotland. We consider a Scottish Borders single public authority would reflect the natural culmination of recent reforms in meeting the needs of citizens of the region and in empowering us to seize opportunities for improvement.

4.2 We consider the key themes of such an approach are:-

- Place
- Subsidiarity
- Local democratic accountability
- Empowerment

It is difficult to prioritise between these themes which we see as very much interlinked and inter-dependent, but the concept of 'place' is integral to each element. This acknowledges that (for the Scottish Borders) a step change in outcomes is best generated within the towns and communities of the Scottish Borders. It recognises that, while our challenges are not unique, their salience and interrelationship is particular to the area, and that specific combinations of challenges necessitate particular solutions. And it builds on the notion that, in involving citizens, devolving decisions and empowering communities, the fundamental building block is the individual sense of neighbourhood.

4.3 In contemplating these issues, it is important to recognise that we don't begin with a blank sheet of paper. The Borders' 40 year history as a strategic area for local government and other public services does not preclude consideration of other models, but that history and the shared geography on which it is built is a core aspect of people's perception of place, as well as providing an existing framework for development of a more effective and responsive organisation. Indeed, the strength of local ties in the Borders manifested in the famous rivalries of the region's towns and villages is one of its defining characteristics. There is a specific identity with 'the Borders' and as 'Borderers' rarely associated with administrative areas.

4.4 Integral to all of this is the idea that citizens and decision-makers in the Scottish Borders have the clearest appreciation of what matters to the people of the region. The Borders Railway, BGH, European funding and, more recently, the South of Scotland Enterprise Agency would be unlikely to have found such determined champions outwith the Scottish Borders (and Dumfries and Galloway in respect of the SoSEA). By the same token, it may be over-optimistic to imagine that extension of the Borders Railway from Tweedbank to Carlisle via Hawick may receive greater push from agencies outwith the region with a broader range of priorities than it would from an authority with a focus on the Scottish Borders

4.5 The recent study commissioned by HIE on the social and economic importance of access to local banks in remote and rural areas http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/access-to-banking-services-in-rural-areas.html provides an excellent example of an issue which may not be apparent to decision-makers in London or Edinburgh, but is critical to those invested in the local area. It also hints at the essential ingredients that a Single Public Authority must strive for - locally based, strong on advocacy, entrepreneurial and innovative and continually questioning 'where will the region be in 25/50 years' time?'

5. A More Integrated Approach to Developing Public Services in the Scottish Borders

5.1 A new integrated model should be built around the four objectives identified by the Christie Commission for public service reform. These are that:

- Public services are built around people and communities, their needs, aspirations, capacities and skills, and work to augment their autonomy and resilience;
- Public service organisations work together effectively to achieve outcomes;
- Public service organisations prioritise prevention, reducing inequalities and promoting equality; and
- All public services constantly seek to improve performance and reduce costs, and are open, transparent and accountable.

5.2 This integrated approach should also recognise the requirements of the Community Empowerment (Scotland Act) 2015 which emphasises the importance of working with local communities to provide locally tailored solutions to meet local needs.

5.3 Local progress

5.3.1 A good example of this more integrated approach to the delivery of public services is the work being undertaken in relation to economic development. Scottish Borders Council has played a key role in the establishment of the South

of Scotland Enterprise Agency, the Edinburgh and South East Scotland City Region Deal, and the Borderlands Inclusive Growth Deal. The objective of these efforts is a much more focused and better resourced approach to economic development and employment support in the Scottish Borders and the South of Scotland than has been possible previously through agencies with a strong national focus. It is planned that the work of the new Enterprise Agency and the interim vehicle will link very closely with Scottish Borders Council and its partners. By the same token, any projects supported through the Edinburgh and South East Scotland City Region Deal and the Borderlands Inclusive Growth Deal will complement the work of the South of Scotland Enterprise Agency.

5.3.2 The Council and the Scottish Borders Community Planning Partnership's development of locality partnerships reflects our developing place-based approach to addressing local issues. Based up on 5 local areas, comprised of 'natural' communities, these put communities at the heart of their thinking, overseeing local decision-making and delivering an increasing share of community resources. In short, they represent a critical step on the journey to involving communities more in shaping their neighbourhoods as they wish to see them.

5.3.3 Just as important is the development of local management arrangements which mirror these governance arrangements.   These provide a much stronger basis for ensuring public service delivery is much more sensitive to local and community needs, and that communities are more involved in the planning and delivery of public services.

5.4 Engagement and democracy

5.4.1 It is clear that the journey to greater integration is not simply about services. It is not even exclusively about outcomes. It is also about engagement and it is about democracy. In this regard, it is important to understand that communities don't necessarily consist of 'one homogeneous community'. They are typically more complex than we might assume, often with conflicting interests and priorities, reflecting diversity in terms of age, gender, ethnicity and many other factors. The challenge facing us is how we drive better outcomes, tackle the root causes of inequality and poor outcomes in our most disadvantaged places, whilst also ensuring that our communities can directly influence our collective action, including where they may have conflicting perceptions of the approaches needed to secure progress.

5.4.2 In its August 2014 report, the Commission on Strengthening Local Democracy, supported and endorsed by CoSLA, proposed that: "Democratic power should be delivered from communities up, not drip down from above. Democratic innovations such as ….participatory budgeting … should …become the standard by which [participation in decision making] is delivered in Scotland." The premise implicit in the Local Governance Review, as it was in the Commission Report, is that the representative and participatory 'strands' of

democracy complement and mutually reinforce each other. We are highly receptive to this notion, but recognise that it must be squared with, on the one hand, the democratic distinctiveness of local government and on the other, a requirement to maintain the identity of the health service as a national service. A balancing exercise is required in which direct and representative democracy complement each other, and which accommodates local particularity within national aspiration.

5.4.3 Specifically, if we are to deliver on the Review's stated aim of 'making sure local communities have more say about how public services in their area are run', we need to develop a more comprehensive and effective model of citizen and community engagement. This is not to suggest that important strides have not already been made. For example, Locality Plans are being developed through a dialogue with stakeholders (community councils, development trusts and other community organisations) at the Council's Area Partnerships; while the Council's Engagement Toolkit is being revamped through social media interactions with the public on topics such as the budget and winter maintenance, highly active engagement on consultations on service specific issues, and the use of Citizen Space for consultations and a general Household Survey every second year. The Localities Bid Fund, the Council's branded participatory budgeting programme, has been a significant success, ensuring that we are on course to the 1% target of net revenue, and have high response rates in public votes.

5.4.4 However, we need to go further, particularly in engaging the hard-to-reach. This means working with partner and external organisations (such as CAB, Youth Borders, the Police, tenants' associations etc) who support those who are less well-represented through the traditional engagement processes. It necessitates prioritising those forms of engagement which get the views of the hard-to-reach to the table, be this participatory budgeting or facebook. Above all, it means grafting community engagement into the business model of the Council, so that citizen and community-responsiveness is automatic and integral to our policy development and service delivery. Increased and enhanced local engagement must be the corollary of greater local autonomy.

5.4.5 Lastly, we must be responsive to the risks of volunteer exhaustion, and lack of capacity in communities. It's essential that citizens have a real say in the process of decision-making, but, to quote from the 2014 Commission on Strengthening Local Democracy Report again, this must be accompanied by 'significant re-investment in community development services in the public, community and third sector, and……particular priority [should be] attached to supporting communities of need, interest and place who are likely to face barriers to participation'. This is a challenge we and our partners are determined to address, and wish to explore with you.

<u>5.5 Flexibility, pragmatism and entrepreneurialism</u>

5.5.1 In pursuing a more integrated approach, we must be flexible, pragmatic and entrepreneurial. We should also recognise the realities of existing governance arrangements. Scottish Borders is a political, administrative and service delivery entity. There is a powerful logic for bringing together those public services where our objectives, the local scale and nature of those services and the dependencies between them support this course. In contemplating this course, furthermore, we envisage a citizen service underpinned by a single delivery model. But the approach may be different in relation to other areas of public sector activity. For example, the added value to be garnered by the South of Scotland Enterprise Agency is likely to reinforce the importance of that agency's organisational integrity and pan-South of Scotland focus, supported by the public sector and other stakeholders in Scottish Borders and Dumfries and Galloway. To put it another way, it may make sense for health care and the current range of council functions to be provided by a single public authority, but Police and Fire Services with their national organisational arrangements, and the South of Scotland Enterprise Agency (together with SE, SDS and other partners) would work on the basis of co-location (where possible) and strong alignment between their objectives and processes and those of the Single Public Authority. It will always be a case of horses for courses.

6. Next Steps

6.1 Subject to discussions with the Scottish Government, and the Democracy Matters Team, we would intend to work up a detailed proposal with partners which would set out:

1) A full vision for a single public authority in the Scottish Borders including governance, differential devolution arrangements, and community inclusion and empowerment; and
2) The process ('stepping stones') through which the full vision would be effected (e.g. interim legal steps through the Public Bodies (Joint Working) (Scotland) Act 2014).

6.2 Once formulated, it is intended our proposals would be tested through a dialogue with the public of the Scottish Borders.

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