

A hand is shown placing a wooden block on top of a stack of other wooden blocks. The blocks are arranged in a stepped pattern, with the stack being the tallest. The background is blurred, showing a wooden surface.

Delivering a future for Scottish local authorities: the challenges they face, the questions that need asking and a model for the future

"As Chief Executives of our local authorities and leaders of place, we have been working with the Improvement Service over the last nine months to consider the radical change required within local government and the wider system to tackle the challenges we face, and how we might transition to a model of service delivery that is fit for purpose in the 21st century. We are pleased to present this report for colleagues' consideration and would emphasise our personal commitment to its proposals and the transformational change that we envisage it can bring. As a group, we are committed to progressing with this programme of transformation and invite colleagues to join us on that journey."



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Introduction

"Most of the things worth doing in the world had been declared impossible before they were done."

Louis D. Brandeis

This paper proposes a new approach for the future operating model of Scottish local authorities - outlining the context in which Local Government is delivering, the challenges and (more importantly) the opportunities it faces, and how local authorities might transition to a model of service delivery that builds on current success but more deliberately supports effective partnership to deliver the outcomes needed in communities.

There is a focus on the leadership required to deliver a future operating model and to be able to define what and where change is needed. This could involve local authorities working with communities in their role as custodians of local places or seeking solutions through working with partners at a local authority, regional or national level, i.e. the model recognises the difference between services that are based in and around communities and those that are geographically agnostic.

The approach outlined complements the National Performance Framework and the COSLA Blueprint, providing a vehicle to support the delivery of the Blueprint's ambitious vision for Scottish Local Government and the communities it serves. It proposes a 'once for all' future approach for Scottish Local Government and recognises that councils will address local priorities through collaboration at national, regional and local levels.



Councils continue to meet their statutory service delivery obligations, innovate and expand their influence through their role as democratically accountable local leaders. This has been more evident than ever through the pandemic, with leaders acting fast and corralling all available resources to deliver strong and responsive services which best meet the needs of communities and focus on improving outcomes.

The model that we are proposing has six core anchors that underpin the role of the local government sector of the future:

- ▶ Unlock community action
- ▶ Lead council and cross-sector partnerships with a focus on outcomes
- ▶ Enable a functioning, trusted local and central government relationship
- ▶ Design for people's needs
- ▶ Create digital, design and technology enabled transformation
- ▶ Tackle inequality and meet the needs of all citizens

While much of what has come before could be seen as different versions of a previously established model of government, the shift we are beginning to see now is leading us towards a new paradigm for Local Government in form, function and funding. The pandemic, alongside shifts in policy and economics at a national level, means many of the changes towards 21st Century government are arriving in a rush. The challenges Local Government is facing requires a need to be more radical than we have been up until now. The sector has the opportunity to lead the charge towards reform and work with their local communities and the Scottish Government to have a direct and honest conversation about where we go next.

We believe there is a need to radically rethink a local authority's shape, its role and relationships in the community, with service users, partners and with Scottish Government and to ask fundamental questions of what it does and how it does it as part of a future operating model.

Key questions

- ◆ How do councils transition from a predominantly service provider-based approach to one that is adaptable, collaborative and creative, driven by strong local democratic mandates that put people and communities at the heart of change?
- ◆ How do councils make the shift to a new paradigm, which is outcomes obsessed, delivery agnostic, and involves them holding a strategic vision with and for citizens, to craft economic and social outcomes that are equitable for all?



The Model

A logical starting point would be to acknowledge what is already in place and the successes already achieved by local authorities in relation to each of the six anchors, with some examples highlighted below. The next step would be to learn from the progress we have made to date and practice from elsewhere and consider how we stretch our ambition around each, innovating and being more radical than the aspirations set out in Christie, forging a new model for local government service delivery. In recognition of the progress made by the sector against the Christie recommendations, COSLA's [case studies](#) publication provides good examples around this work.

In short, in this new model, a council of the future would:

1. **Unlock community action**, strengthening and rebalancing the relationship between Local Government and citizens. There were examples of this across the pandemic, where new models were tested, working *with* not just *for* communities, and amplifying the impact of work through existing community networks and initiatives.

Example of current practice

In May 2021, the Improvement Service prepared a report for the Community Planning Improvement Board, part of which focused on responses to the pandemic. This highlighted that councils, with partners, unlocked community action during the pandemic in numerous ways. For example:

- ◆ Early engagement with community groups took place to understand what activities they were planning and how the council could support those activities.
- ◆ Some councils set up online forums to involve residents in reshaping local services and support around their needs.
- ◆ Community groups supported some councils with the delivery of free school meals and food parcels to vulnerable citizens and families.
- ◆ Community volunteers supported those who were shielding and other vulnerable people in communities.
- ◆ Most council areas established community hubs to support the community response.

- 2. Lead cross-sector partnerships with a focus on outcomes**, to work together across borders and boundaries on issues. Systems thinking is critical to the 21st century - it is in alignment and working together that we have a chance of influencing complex problems to the benefit of citizens. We need to prioritise *organising* over and above *organisations*.

Example of current practice

An innovative computer system has been developed by three councils in partnership with their local NHS Board. It enables effective, timely and secure sharing of information between partners to help address concerns about the wellbeing and protection of children and young people.

Over 1,800 practitioners across the Board area now use the system to share information on 7,000 children and young people more efficiently, effectively and securely than was possible in the past. The integration of the system with social and health care systems supports assessment and planning processes that underpin the national GIRFEC programme, early intervention strategies and the Children and Young People (Scotland) Act 2014. Improved outcomes enabled by this approach are now reported by practitioners.

The system enables local practitioners to deliver a more seamless and timely service for the benefit of children, young people and their families and the wider community. Specific outcomes reported are improved school attendance, reduced offending, helping a young mother to cope better, and reducing the risk of self-harm.

- 3. Enable a functioning, trusted local and central government relationship**, one that plays to the strengths of both, with a culture of collaboration, rather than a growing sense of it being local OR central, that could erode trust on both sides and ultimately decrease the impact of services delivered to citizens. Local authorities are well placed to both understand the local context and translate ambitious national aspiration into effective local action for communities.

Example of current practice

In August 2021, the Scottish Government's commitment to expand funded early learning and childcare (ELC) was delivered, almost doubling the number of hours to which children are entitled. The expansion from 600 to 1,140 hours of ELC was only made possible through a partnership between Scottish and Local Government, assisted by delivery support and guidance from the Improvement Service.

The programme managed interdependent projects to ensure councils had access to tailored support. It coordinated support to councils across diverse workstreams whilst using an evidence-led approach to improve Scottish and local government's understanding of delivery progress, allowing joint agreement on actions to respond to emerging issues during the expansion.

4. **Design for people's needs**, moving away from system satisfying approaches to people-led ones. Local Government has evolved and iterated over a long history. At times, this process has left local authorities conflicted between statutory duties, cost savings, investment in prevention, and responding to the needs, expectations and wants of citizens.

Example of current practice

One local authority has established a partnership with its local health board that aims to reduce offending behaviour and health inequalities; to improve the health, wellbeing and safety of women in the criminal justice system; and to increase their access to services and involvement in their local community. Service users are involved in the design and continuous improvement of the service. The partnership works with women who are marginalised within society, many coming from backgrounds of trauma and abuse.

5. **Create digital, design and technology enabled transformation**, providing a digital infrastructure on which responses to social issues – services, support, and data – can be built and integrated to strengthen impact. This includes designing modern services and back office functions, making use of digital tools to enable councils and partner organisations to prioritise human interaction and focus on outcomes over bureaucratic processes.

Example of current practice

Local Government Digital and Data Shared Services

Improvement Service

The IS delivers a range of digital shared services to councils and public service partners, founded on digital identity. These include myaccount, parentsportal.scot, bisaccount.scot and getyournec.scot. The IS is the accountable body for the delivery of the National Entitlement Card (NEC), which is Scotland's national smartcard, delivered for Scotland by the Local Government family (Improvement Service, NEC Programme Office in Dundee City Council and all councils). The IS also delivers a range of shared data services, including the One Scotland and Street Gazetteers, the Spatial Hub and the Scottish Dog Control Notice Database.

SEEMiS

SEEMiS is the standard Education Management Information System provider within Scottish Education.

Digital Office for Scottish Local Government

The Digital Office ensures that the infrastructure and capabilities are in place to help councils increase the pace of digital transformation and deliver on the ambitions of the national digital strategy.

- 6. Tackle inequality and meet the needs of all citizens**, recognising the diversity of communities and playing a proactive role in tackling inequality of outcome and embedding rights-based approaches. The pandemic shone a light on those who are living in socio-economic disadvantage and people with protected characteristics who were already struggling and experiencing the poorest outcomes. Local authorities need to be closer to all of their citizens and understand their needs, particularly those who are harder to hear, to ensure the wellbeing of all is improved and ensuring the citizens of the future do not start their lives from a position of disadvantage.

Example of current practice

One local authority has set up a programme that has supported over 70 care experienced young people into a wide and varied range of work-related activities, putting the young person at the heart of their own employment journey. Through a long-term relationship-based approach supported by a 'no fails' policy, the young people have grown in confidence and skills with 36% of current recruits reaching employment, 40% progressing to further education and training and 100% of those surveyed saying the programme had a positive long-term impact on their life. Through the support and experience gained by the young people, the aspiration is to improve employment prospects and wellbeing in later life and reduce the need for future interventions.



target

strategy

innovation

future

CHANGE

idea

vision

plan

management

new

The urgency to design the council of the future

Local Government is a system that has served its purpose in the past, but it is a purpose that it increasingly struggles to serve. The world is transitioning fast, as society faces a cascade of changes affecting every aspect of our lives – our health, the economy, politics, our children’s education, social care; from an ageing population to the effects of climate change - structural shifts are reshaping the world as we know it.

Hidden within these transitions lies the immense potential for what local government can be for. There is an opportunity to [ask fundamental questions](#) about what local authorities look and feel like, and how they are structured to deliver services - a chance to step out from behind a [paternalistic public service model](#) and to do what they do best: improving people’s lives and the places they hold dear.

We have already seen examples of new ways of operating and thriving, born out by an immense community response to Covid-19. There are other ways for local authorities to function, redesigning the very model of local government itself, and there are signs of it all around, and close to home.

To make the most of this opportunity for change, we have set out six core anchors that could underpin the role of a council of the future, which also takes cognisance (as set out above) of current practice within the sector:

1. Unlock community action

This is about strengthening and rebalancing the relationship between Local Government and citizens. There were examples of this across the pandemic, where new models were tested, working with not just for communities, and amplifying the impact of work through existing community networks and initiatives. However, more needs to be done to embed this as the way councils routinely ‘do business’.

Despite their best efforts, councils still spend a lot of time reacting to a constant barrage of crises downstream instead of proactively working upstream to generate new and creative solutions in partnership with local communities, other councils, third sector, private sector and Scottish and UK partners. There is an alternative vision for what public services and local government look like, one that places a local authority where it works best; in the heart of communities, working alongside them.

Looking again at community needs - Sefton, UK.

11 years ago, when austerity measures in the U.K. forced the Sefton Council to slash its budget by half, a community meals programme for vulnerable, mostly elderly, residents were at risk. It was not possible to squeeze the price of the meals down any further, and residents could not be asked to pay more.

Peter Moore, who led social services for Sefton, started talking with residents about how and why they used the programme, to see if there were other ways of providing them the service they needed. He talked about the meals, but also about what they needed more broadly, and quickly learned that they were lonely. The meal service was often their only contact with others.

Working with community organisation Age Concern, the Council helped find a way to both keep the programme alive and make it better. They coordinated volunteers to visit the users of community meals, and connected them to activities like cycling or walking or some support with managing money. Local food businesses agreed to provide the meals for the same out of pocket cost to residents and broadened the choice to 40 menus, rather than one. In the end, Sefton had saved £200,000 and the service was better.

With millions more budget savings to find, Sefton applied the same approach of involving residents at every step and empowering them to find creative solutions. For example, the council worked with residents with special needs to create a shared vision of how to save money (20% of the budget) while maintaining residents' independence. They encouraged local non-profits to compete against corporate service providers so that there were more affordable options based in the community.

Gradually it changed the way the council worked; to have open and honest conversations about how to spend its money and on what. The council gave up the old patriarchal way of doing budget cuts, where public leaders sit down and decide on their own what to cut. Instead, they would be transparent about hard realities and involve the public in implementing the cuts.

There is already a swell of support for the often-unrecognised capacity of communities to hold the answers to their own challenges. Across the UK, there are organisations like [Citizens UK](#), [Scottish Community Development Centre](#) and [Community Organisers](#) that train people up in the skills it takes to “work together for the common good”. Collaboration isn’t easy - it’s a capacity that needs investing in. [Cornwall Council](#) has a dedicated ‘[communities and devolution](#)’ team that works with communities, especially those people who feel left behind by the political process, usually from disadvantaged backgrounds or low-income households.

Cornwall Council (extract from LGA Case Study)

Cornwall Council has established a dedicated Communities and Devolution Team which works with communities to develop devolution proposals. The Council also works closely with Town and Parish Councils, which is key, especially in a dispersed and rural area such as Cornwall. They place a significant role in citizen engagement and community organising. These networks create an environment and forum for citizens to raise issues and concerns that can be fed directly back into the Council.

Community organising can be used before and after a devolution deal has been agreed. Pre-deal, the focus will be on the overlap between the community's priorities and the potential changes devolution could offer the area. Post-deal, the focus shifts towards whether and how devolved powers are used in the interests of communities.

Innovation in Helsingborg – The Utopia Lab

What?

On 16-17 June, the youth fair Utopia Lab kicked off a fair with the main focus of not only letting young people into the rooms where decisions are made but also letting them be involved and develop the solutions. Utopia Lab brought together over 250 young people and 150 adults to jointly find solutions to the greatest challenges of our time.

Why?

The world is facing many great challenges that will soon end up on today's young people to solve. They believe that not letting young people into rooms where decisions are made is a big mistake right now. With Utopia Lab, they accelerate visionary problem solving and open up to new thinking about the greatest challenges facing humanity.

How?

During the spring, they sought to carry out one of the largest youth dialogues in Helsingborg's history, where as many as 400 young people's thoughts, ideas, obstacles and opinions were mapped. The purpose of this dialogue was to create an understanding and insight into the problems young people experience today. Based on the dialogue, the municipality and their steering group of young people work out concrete problem formulations that 250 young people and 150 adults during Utopia Lab's first day hack together to find new and innovative solutions. During day two, they focus on Helsingborg and show good examples of youth involvement from the city, experience exciting workshops and activities and are inspired by fantastic speakers.

At the other end of the spectrum, there are low cost methods like [Wikisurveys](#) that offer the “potential to improve the quality of feedback and level of interaction that politicians, parliamentarians and political parties have with people on a large scale”. These are used en masse in [Taiwan](#) and New York to learn about issues and come to a conclusion on what decisions to make.

Many of the fears of working with communities are often unfounded. When governments [radiate their intent](#) and are open about their frustrations and unknowns, people respond with patience and goodwill; you see this in Sefton, Bogota and Helsinki, who call it ‘[humble government](#)’. Rebalancing the relationship with local communities is an investment in steering clear of what can feel like an endless cycle of firefighting, where governments do to, not with people.

During the pandemic, there was an overwhelming sense that collaboration with communities, the voluntary sector and other public sector organisations was at the [centre of councils’ Covid-19 responses](#).

When overwhelmed, some councils reached out for help - there was not any other choice. In the uncertainty of what was needed, councils had the flexibility to adapt to demands as they surfaced, losing the rigidity of old top-down and siloed ways of working. Digitisation of services happened in weeks, not years, as public services went online for everything from GP calls to school classes.

This opens the door for one of the greatest assets of greater community involvement, a closeness to people’s needs that can be too easily lost in the machinery of government, but only if they are able to [relinquish some of their control](#).

There are plenty of instances where communities have been centred in what local government focuses its time and attention on. Some posed questions of what the role of the state is, where communities themselves lead the delivery of what is needed. With [The Wigan Deal](#), they rethought the nature of the social contract between the state and citizen, aligning them together to make their efforts (and money) go as far as possible, on what mattered to them. This was an approach repeated in Staffordshire and Oldham, driven by the need to have honest, collaborative conversations with residents, and to shift control and influence, allowing them all to provide services with communities, as well as for them. The boldness of this approach is in the details of control, and power.

The Wigan Deal

Wigan Council had to deal with substantial budget cuts and devise new ways to continue providing services and serving the community. The council created [The Deal](#), an informal agreement between the public sector, citizens, community groups and businesses to create a better borough.

[The Deal's main objectives](#) are to eliminate waste from the Council's budget and reduce demand for services while improving the lives of citizens; covering healthcare, children, social services and community funding. It is seen as successful in many ways: Wigan Council has reduced its expenses, improved certain services, frozen council tax, and improved health outcomes for citizens.

A '[clear narrative developed](#)' about the changes the council wanted to bring about and why they were needed', informing how staff developed ideas and put the Wigan Deal into practice. This resulted in a shift from control and management to enabling and convening.

Revolutionising home care - Buurtzorg, Netherlands

Jos de Blok was a frustrated nurse who quit his job to make a radical break with centrally managed home care and create Buurtzorg, a patient-centred alternative, which is based on a professional social network, with decision-making shifted to the front-line. Shifting decision-making to the frontline (other nurses) and avoiding all forms of central management, Buurtzorg's nursing teams were empowered to integrate families and neighbourhood organisations in holistic solutions for their clients. Using this approach, the social enterprise was successful in creating a more financially sustainable care model with happier patients and nurses.

Families helping families - TACSI

The Australian Centre for Social Innovation designed a programme to address families in crisis by engaging and training families who have been through tough times to help other families going through similar tough times. The biggest difference to standard practice is that families are primarily supported by other families, rather than professionals. By tapping into families, it ensures that support is available 24/7 as opposed to nine to five on a working day. It is also extremely efficient - one professional family coach works with 15 "sharing families", who in turn work with 40 "seeking families", reaching up to 100 children at risk. [An evaluation of TACSI's FbF programme](#) found it had a 90 percent success rate in improving family life, and "for every dollar governments spend on FbF, they stand to save seven".

Key questions

- ◆ What does a council feel able to let go of, and where can (and should it trust) its citizens to lead?
- ◆ How do we build a Scotland where communities are empowered? What more do councils need to do to unlock community action? What support will communities need to develop their capacity to act?
- ◆ What support will employees need to have honest, collaborative conversations with citizens and to shift control and influence, allowing them to provide services with communities as well as for them?

2. Lead council and cross-sector partnerships with a focus on outcomes

Local authorities work across borders and boundaries on issues, to deliver the best possible services and support to their local communities. Systems thinking is critical to the 21st century - it is in alignment and working together that we have a chance of influencing complex problems to the benefit of our citizens. We need to prioritise organising over and above organisations. We need to become outcomes obsessed and delivery agnostic, holding a strategic vision with and for citizens to craft economic and social outcomes that are equitable for all.

[Local Government is part of a system](#), within which it can play many roles. Playing the role of collaborator and co-designer can produce better outcomes that are not always ‘delivered’ by individual local authorities, projects or programmes but are the result of many overlapping factors – people, organisations, processes, cultures – interacting together in a system in creative, effective, and efficient ways. This entails seeking solutions at the scale appropriate to the services, i.e. at a local place level, single authority boundary, regional or national level.

Chief officers’ leadership strengths lie less in the detail and rely more on seeing connections and weaving relationships and partnerships across issues. They make connections between their council and local organisations, integrating systems, sharing services and finding alignment; it is a fundamentally relationship orientated role.

Local authorities can be [models of the world we want to build](#), transitioning the 18th century model of government towards thriving 21st century public services. We can’t bring the radical change we want to the services we deliver without bringing radical change to the organisations that deliver them and to go beyond this, to complete a local authority’s transition from service delivery manager to facilitator of social and economic outcomes. We must recognise how our institutions need to adapt, to better engage and connect with a complex system of government and beyond, who together can deliver with and for our communities, to meet the collective aspirations of Scottish citizens.

In practice, this means Chief Executives, Chief Officers and political leaders:

- ◆ communicating openly and transparently with each other
- ◆ opening themselves up to working together to create mutually beneficial improvements for citizens, designing approaches that are solution agnostic to ensure the best possible outcomes for communities involved
- ◆ partnering flexibly with other councils when needed, and sometimes, stepping aside if other councils are better placed to play a leading role.
- ◆ being honest with their communities and working together to achieve improved outcomes in ways that work for them both.

The single best energising factor to guide this sort of work is an almost obsessive focus on outcomes. [With Housing First](#), the Finns prioritised getting homeless people a home above all else, and only after support them with any other issues. They are one of the few EU countries [where homelessness is falling](#).

Homes for the homeless - Finland

The Finns have turned the traditional approach to homelessness on its head, through Housing First. There can be a number of reasons as to why someone ends up homeless, including sudden job loss or family breakdown, severe substance abuse or mental health problems. Most homelessness policies work on the premise that the homeless person has to sort those problems out first before they can get permanent accommodation. Finland does the opposite - it gives them a home first.

The pandemic forced local government to question what it does and how it can make a difference, pushing councils to try bold, new things, and rethink how they operate in order to support vulnerable residents and work with communities, businesses and partners, not just for them. However, more than anything, it aligned communities and councils around a powerful shared purpose that created better impacts than any one of them could have achieved alone.

There is room for new partnerships between local authorities, between local and Scottish Government, and between local authorities and other organisations. There were examples of this across the pandemic, where new models were tested. The IS published a report in March 2020, presenting the findings on research to review the experience and incidence of collaborative working and shared service approaches across Scottish Local Government. The research did not seek to force 'shared services' or suggest these are de facto a 'good thing', but rather to encourage local authority colleagues to consider them as one option which may be applicable in certain circumstances.

Given the dichotomy councils are facing, to improve outcomes on the one hand whilst driving efficiency and value for public money on the other, there may be opportunities for:

- ▶ Councils (either neighbouring councils or at a regional level) to deliver more services jointly or for one council to take the lead in delivering some services and the other council(s) doing likewise for others;
- ▶ Some services to be delivered once for all councils and in some cases, other public sector partners. This isn't new to Local Government, with all councils buying into, for example, the same education management information system delivered by SEEMiS, a shared procurement service run by Scotland Excel and digital services such as myaccount and the National Entitlement Card delivered by the IS.
- ▶ A more systematic cross-public sector approach to optimise the reach of public funding to deliver the best possible services and support to our people and communities. This has been explored previously by Orkney Islands Council with its proposals to move to a single authority operating model.

- More sharing of skills and capacity and joint investment decisions being made between councils and/or other agencies.

Pooling data - Oxfordshire City Council, UK

Oxford City Community Impact Zone is the result of a partnership between Oxford City Council, Thames Valley Police and Oxfordshire County Council, who pooled their data and resources to work together for the benefit of the community. By aggregating granular street-level data in innovative ways, they have identified community impact zones (or micro-neighbourhoods) in Oxford with high and overlapping inequalities. They've focussed attention in these areas on the following: matching 145 Oxfordshire children with volunteer tutors, supporting them to fulfil their academic potential; providing more fitness activities to help people get active and make new friends; providing opportunities for children to learn to swim and ride a bike; providing funding for local people to realise their ideas to improve the area; nurturing a growing network of peer supporters to support families to thrive; and coordinating over 1000 neighbours to help each other in response to the pandemic.

Centering a city around care - Bogota, Colombia

The city of Bogota has restructured itself around care. The system delivers services for those requiring care and their unpaid female caregivers, which: 1) frees up time for women to pursue self-development and well-being, 2) trains male family members in care work; and 3) addresses gender norms that perpetuate the inequality. This approach was centred on a singular focus on supporting caregivers – a critically undervalued role in society – and bringing it into the centre of how government operates.

Key questions

- ◆ Does a Council in the 21st century see itself as a delivery expert, or as a steward of place (responsible for the oversight and facilitation of a whole array of people, organisations, funding etc.) or a mix of both?
- ◆ Should a Council in the 21st century deliver fewer services itself and shift to being a funder/investor, providing money to support local organisations to develop solutions to address local needs?
- ◆ What opportunities might there be for services currently delivered by an individual council to be delivered on a shared basis between 2 or more councils or to be delivered once for all 32 at a national level?
- ◆ What role might a 21st century Council play in a more systematic cross-public sector approach, which optimises the reach of public funding to deliver the best possible services and support to communities?

3. Enable a functioning, trusted local and central government relationship

We need to reset the relationship between local and central government, utilising the strengths of both spheres of government to navigate the transitions society faces. Councils are well placed to both understand the local context and translate ambitious national aspiration into effective local action for their communities.

For many, Scottish Government takes on the role of clear democratic accountability, policy making, funding, and ultimately setting and incentivising national standards of public service delivery. Scottish Government has national policy aims, but goals that need translating and nuanced to fit local contexts.

Local government has long been in the business of turning national aspirations into effective, local action. However, successive budget cuts leave little room for the necessary flexibility and creativity in how local authorities carry out this work. This is a far cry from the [directed improvisation](#) that institutions like the United Nations Development Programme have successfully adopted in their response to international development.

Local government's core strengths lie in its depth of understanding of local lived experiences. It can listen to and engage with people at a level that no central government body has the capacity to do. In that sense, local authorities are a keystone institution for, and leader of, local communities - a glue that helps hold national government together; aligning people, resources and ingenuity to orchestrate delivery to ensure the best possible outcomes for communities.

Being closer to an issue and the people living the experiences of the issue, provides a much better understanding of how it affects lives. It facilitates the flexibility to adapt in ways that are grounded in people's day-to-day life and quickly generate measurable impact. A true local and Scottish government partnership plays to the strengths of both, taking the benefits of scale, democratic accountability, and financial efficiencies from centralisation, with the deep understanding of local needs, place making, and the unique context of local government. Eroding what local government can do leaves little room to make the most of its assets; relationships, nuance and context. Centralised policy-making would be blind without it.

Extract from LGIU (including Case Study)

[Investing in regional equality – lessons from four cities](#)

CIPFA's (Chartered Institute of Public Finance and Accountancy) recent report, [Investing in regional equality – lessons from four cities](#), studies four cities internationally to draw conclusions over what works in levelling up. The key overall lessons are numbered below, and three of the case studies (USA, Japan and Germany) are summarised further down.

- ◆ Shared political will and partnerships: strong local institutions, working across public/private and regional/national arenas for a common vision.

- ◆ Clear strategy and visions: clearly setting out end goals for how the place should be to live and work in, and what it might be recognised for.
- ◆ Commitment to long term investing for scale and longevity.
- ◆ Local knowledge: utilising in-depth understanding of a place's strengths and opportunities
- ◆ Monitoring and evaluation: policies should be regularly checked and designed with enough flexibility to be updated if necessary.
- ◆ Adapting national frameworks to address local needs: identifying opportunities for national policies to be adapted to local/regional landscapes, or making a case for flexibility from these if needed.
- ◆ Diversification: avoiding focusing only on economic development, instead widening scope to cultural, social or spatial improvements.
- ◆ Key players: some organisations or individuals might enable or lead growth, whether that be a mayor with vision or a charitable foundation.
- ◆ Adequate and responsive funding: recognising where and when finance is available is important. Successful cities in this study redistributed funding and tax systems within their region to address regional and urban inequalities, making sure not to devolve power without appropriate funding.
- ◆ While local government may allocate funding more effectively to public services, over-decentralisation of fiscal powers risk replacing the distributive role of the state and causing authorities to compete.
- ◆ Competitive bidding processes reinforce inequalities as wealthier regions can better compete due to bidding capacity. Lack of transparency over allocation between bidders and funders can also be an issue.
- ◆ With the right conditions, devolved decision making can enable poorer regions to compete by providing incentives for businesses or improving conditions for better demographic balance.

Cleveland, Ohio (USA)

The US federal model devolves fiscal decision-making powers to states to a large extent, and states may further devolve these to cities. As such, Cleveland does have the tools to pursue independent strategies and is primarily funded by local taxes. Challenges in the city include poverty in the core, urban sprawl with population decline, and high racial and income inequality. Despite a wealthy history and the grand architecture of its civic institutions, Cleveland was hit hard by deindustrialisation – although manufacturing remains one of its largest sectors. One of the legacies of this era, the Cleveland Foundation, remains one of the world's largest community philanthropic foundations, and plays a large role in the city's regeneration today.

Initiatives include:

- ◆ Greater University Circle Initiative – a 20-30 year strategy where anchor institutions including universities and hospitals collaborate to ensure social procurement and hiring and development activities that benefit local populations.
- ◆ Support for co-operatives – while initially funded by the Cleveland Foundation, these worker owned, socially conscious businesses have proven financially sustainable in sectors from food production to solar panel installation.
- ◆ Supporting an existing cluster of healthcare and bio-science research to create a ‘health tech corridor’
- ◆ Supporting manufacturing firms to connect with partners, training and resources to improve jobs
- ◆ Has it successfully levelled up? Cleveland’s success illustrates the importance of strategic aims led by community needs, building on local assets, and the benefits of having a grant-making body with political independence to finance long-term projects.

Challenges: Retention of local taxes and fragmented political geography across greater Cleveland can impede cohesive decision making across the area. Job growth in geographical clusters can worsen inequality as those with poor connectivity or long commutes may be excluded.

Key questions

- ◆ What might Scottish and Local Government need to do differently if their relationship is to be reset?
- ◆ How do you envisage the relationship between a Council of the 21st Century and Scottish Government?

4. Design for people's needs

The form and function of government has evolved and changed across societies over thousands of years, adapting with the times. At times, this process has left local authorities conflicted between statutory duties, cost savings, investment in prevention, and responding to the needs, expectations and wants of citizens. Today, governments that deliver meaningful impact are the ones who develop programmes, policies and services with people's needs at the centre. This means moving away from system satisfying approaches, where problems are identified and programmes are developed solely by government, to ones that are designed with people in the communities they serve.

This means starting to [tackle complex problems by first deeply understanding the root causes of them](#), rather than leading with a solution-first approach which often leads to addressing issues at a symptomatic level. Deeply understanding the root causes of complex social challenges happens by meaningfully engaging people through a participatory design process. This type of approach to creative problem solving involves councils spending time one-on-one with residents who have diverse experiences with public sector challenges in the context of how they live, giving the community the opportunity to co-create insights into why this challenge is happening and what can be done to improve it.

Centre for Public Impact – New Zealand

The [Centre for Public Impact](#) is a foundation that acts as a learning partner for governments, public servants, and the diverse network of changemakers leading the charge to reimagine government so that it works for everyone. Through one of its [Insights](#) it highlights how the government in New Zealand is focusing more around how people use services and how these should be designed around need. This extract, which focuses on an officer within the New Zealand Department of Internal Affairs demonstrates this:

“(The Officer) cites the example of a mother of two young boys who is a lone parent. “She lives in a part of New Zealand where incomes are low, school is jam-packed, and English is not necessarily the first language for 50 percent of the students,” says Robertson. “In these circumstances, we know that there is a 95 percent chance that those two children at age seven or eight will need additional support with their reading. The mother should be able to describe and then automatically have reading support in her local area presented back to her. This is the vision for public services.”

Using this vision, the government has identified and mapped out 30 of the most common life events that give people the most difficulty or inconvenience. One example is how they have reimaged the way new parents interact with government after the birth of a new child - christened “SmartStart”. New parents struggle to navigate multiple agencies to access the services and information they need - not only in New Zealand but in many other countries as well. They often find themselves repeatedly giving out the same information - from registering with a midwife to enrolling their child into preschool, and those who urgently need to register their baby's birth to access support services can find the process cumbersome. We wanted to make it much easier for parents and caregivers to access relevant information and services for themselves and their babies. So we created new customer-centric, cross-agency digital tools and processes. While we are the lead agency, we are working alongside colleagues from the Inland Revenue, Ministry of Social Development and Ministry of Health to make it a reality.”

Transition to a community-based approach to mental health care - Belgium

“The city focused innovation efforts on supporting people experiencing distress in their local communities, rather than in hospital and institutional environments that are often traumatising. The reform was successful in promoting “deinstitutionalisation” and addressing the fragmentation of the healthcare sector. They transformed a supply-driven, mostly residential mental health service into a more diversified demand-driven mental healthcare provision, shifting mental healthcare delivery from large-scale psychiatric hospitals to smaller, alternative community services that are closer to the patient’s own environment.”

Improving Well-Being - Edmonton, Canada

Edmonton created a human-centred framework using social innovation to improve urban well-being. They began with ethnographic research to understand and make sense of the stories [of] people living rough on the streets. These stories build empathy and defined issues from the perspective of people who were marginalised. The research and analysis of peoples’ behaviours, pain points, and aspirations led to different groupings of people, or segments, such as the Edgeworkers, who engaged in informal professions on the edge of society using their intuition and survival skills.

Based on energy and interest, the city honed in on a few ideas and formed prototype teams with community members and leaders to test the ideas out, going back to people directly experiencing challenges, like those chronically street-involved and co-creating potential solutions based on end-user feedback. Solutions that were most promising were then scaled through new and enhanced partnerships

“We believe that designing, testing, and scaling prototypes with this orientation will move us closer towards the systemic level change we are striving for.”

Source: Excerpt from OECD/Bloomberg Philanthropies (2018-20), Survey on Innovation Capacity in Cities.

It also means taking a [systems-based approach](#) to understand lived experiences across the wide range of stakeholders who are involved in creating, influencing, impacting, and delivering in each challenge space. By deeply understanding the needs across a system, councils can triangulate and assess which aspects of the problem they have the most control over, and identify the best opportunities to generate the most measurable change as quickly as possible.

Designing for people not only means understanding their lived experiences, it also means engaging them authentically by [inviting their participation at all stages of learning and development](#). This includes engaging with them in co-creation sessions where a council partners with its residents to generate creative ideas that address the root causes of the problems and ways to enhance any successes that are already occurring. However, it is recognised that this level of participation is resource intensive and would require councils to make different resourcing / investment decisions, as the capacity is potentially not within the system, at this time and in a consistent manner, to deliver this way of working.

Homelessness Advisory Committee - Austin, Texas

Homelessness in Austin, Texas was becoming an increasingly visible problem in the downtown area. Using a grant from Bloomberg Philanthropies to create an innovation team, or “i-team” “to try out new approaches to addressing homelessness”, the i-team spent months in the community speaking with stakeholders around the ecosystem of the issue area to better understand their experiences and co-design solutions with them to this long-standing problem. As a result, one of the recommendations they developed was the creation of the Austin Homelessness Advisory Committee, which is made up of a combination of government stakeholders, non-profit organisations, and residents who have experienced homelessness so that those people with lived experiences have a voice in co-creating policies, resources, and programmes the city creates.

Once councils and the community have identified ideas for new or improved programmes, policies or services, they can also continue to centre on people’s needs by using an iterative prototyping and testing model. This means developing new ideas in a way that is fast and cheap, by starting with rough sketches and gathering people’s feedback early on in the process, before the ideas are built so governments can improve them before investing taxpayer resources. Councils can continue engaging in this iterative process to quickly evolve the idea, building in greater levels of detail as they improve on it with residents, until they have learned enough to have high enough levels of confidence that they can begin investing taxpayer money.

Working this way not only ensures councils build new offerings more quickly that are creative and better meet residents’ needs, it also reduces the risk they face by choosing to invest in ideas that they know are more likely to work because they have been tested and received buy-in from the people who will be impacted by them.

Key questions

- ◆ How could the 21st Century Council design for people’s needs, recognising this level of participation is resource intensive and the capacity is not currently within the system in a consistent manner?

5. Create digital, design, data and technology enabled transformation

Local government has tended to lean on operational, political, policy, and resource levers it can adjust as needed to deliver on a combination of local and national aspirations, which has been a durable system that has lasted decades. Digital is a huge lever that the world has already decisively pulled. Designing modern services, making use of or supported by digital tools, enables local government to prioritise human interaction and focus on outcomes over bureaucratic processes.

The aspiration is there, for a digital infrastructure on which responses to social issues – services, support and data – can be built and integrated to strengthen impact. It is about making high quality data or services, like proof of identity, available to public-facing services across both government, and the private and third sectors. Some services need to be bespoke, others can be standardised, and made accessible to actors from across a range of sectors.

Digital Transformation - Estonia

In the early 2000s, as it was in the early stages of establishing itself as an independent democracy, the country found itself having to rapidly grow and modernise. One of the challenges they realised they had to address quickly was their significant digital divide. Of the country's 1.4M citizens, less than a third had ever used the internet and many could not afford a computer. Today, in a few short years, they have become one of the most advanced e-governments in Europe, having built a robust digital services infrastructure integrated with local governments around the country, including the implementation of a national identification card that works seamlessly to streamline interaction and service requests at all levels of government (for example voting, prescriptions, and taxes). Taken together, their efforts have had a tremendous impact with 91.4 percent of Estonians using the internet as of July 2016, compared to 28.6 percent in 2000, broadband access in all schools across Estonia, free wifi network that covers most of the populated area, and a reduced administrative burden for both the state and the citizens during public service delivery, saving them approximately 820 years of working time every year.

Qlinker

Qlinker aims to turn traditional housing association procedures upside down in order to serve its tenants in the most customer friendly way possible. The Qlinker team started from scratch: no existing organisation, no existing IT infrastructure and no legacy systems but instead had the tenant as its starting point. The challenge was answering the question: What would a housing association look like, when set up by Google and built around the customer? The process is fully digital and has effectively cut down the application time from six days to as little as six hours, sometimes even to a mere ten minutes. Tenants use the Qlinker app for all their interaction – from finding a new (or different) home, signing their contract, paying their rent and asking for maintenance or repairs. Its ambition is not to develop new technologies, but to utilise new and promising innovations from start-ups or other housing associations in order to make the customer journey as simple, smooth and fast as possible.

Rewiring the system to 'go digital' requires us to look at the wiring, and that forces us to delve into a council's back office. It is important not to diminish the role that the 'corporate' body (e.g. finance, legal, HR, technology, procurement etc.) plays in the effective functioning of the council and the front-line services it delivers. There is a tendency to default to cutting back office services to protect the 'front line'. However, an alternative view of corporate services is that they are drivers for innovation and transformation, becoming enablers for that to happen at the front-line. We can't just focus on fixing the arms and legs of social care, environmental services etc. We also need above all to set about recoding our corporate frameworks with the same enthusiasm, releasing us from the bureaucracy that can inhibit true change and innovation.

Local Government is committed to working with Scottish Government to deliver Scotland's Digital Strategy. This will require the delivery of a programme of inclusive digital reform and investment in the digital transformation of public services, building on the work undertaken by local authorities and the wider Local Government family to date. Local Government has experience of delivering national shared digital services, such as an education management information system, digital identity services and smartcard services (National Entitlement Card). As we develop the Council for the 21st Century, it will be important to consider which other services are ripe for digital, data and technology enabled transformation.

Data and intelligence are equally important levers for enabling transformation. High quality data, evidence and intelligence are fundamental to informing local decision-making, service design and ultimately transformation. The last few years has shown us that, when faced with significant and unprecedented events and crises, data and evidence becomes crucial to the decision-making process and guiding us to a better place. There is more requirement than ever before for local authorities to use the data at their disposal to make better informed decisions affecting citizens and places. Councils, and their partners, are on a journey of improvement around how they use and turn data into evidence, intelligence and, hopefully, better and more efficient services and improved outcomes. This is commonly referred to as 'data maturity' and there are many ways to assess this to highlight specific areas for improvement and transformation. The Scottish Government, supported by the Digital Office for Scottish Local Government and IS, are seeking to build a 'Data Transformation Framework' that will help to address the challenges and gaps in this area.

Key questions

- ◆ What would a 21st century Council look like, if set up by Google and designed around the customer?
- ◆ What more needs to be done to support inclusive digital reform and investment in the digital transformation of public services?
- ◆ What services / areas of work within Local Government are ripe for digital, data and technology enabled transformation?

6. Tackle inequality and meet the needs of all citizens

Weaving through all the core anchors above is the need to ensure services meet the needs of citizens and are co-designed and even co-delivered with them. Too many people are experiencing inequality of outcome, particularly those living in socio-economic disadvantage. This can be compounded by having a number of protected characteristics, where discrimination or lack of understanding of needs can result in services being inaccessible or not responsive to what is required for individuals or families. Human beings are diverse and do not all experience life in the same way, so a need to truly understand communities is paramount.

The recent review of the Public Sector Equality Duty, the future incorporation of the United Nations Convention on the Rights of the Child and the introduction of a Human Rights Framework for Scotland all seek to support the rights of all the citizens of Scotland, but also set out the responsibilities of public bodies to support those rights. This legislation builds on what local authorities are already doing and is not necessarily an additional burden, seeking mainly to make international conventions and covenants Scotland or the UK has already signed up to justiciable in Scots law. There is an opportunity now to make sure that policies and functions are developed that reflect and support the rights outlined in the legislation, and ensuring that the citizens who engage in the co-design and co-production of services are fully representative. This can involve more intensive support and the need to seek out those who do not normally engage.

The unequal impact of the pandemic highlighted the already poor outcomes too many communities were experiencing, and resulted in much more severe impact of both contracting the virus, but also the protective measures that were put in place. People who were 'just about managing' have been tipped into poverty as any savings were depleted to meet additional costs of heating or feeding families, particularly where people either had to give up their jobs to care for their children or were furloughed and lost income. Those who were already living in poverty and experiencing, for example, poor health and mental health, were more likely to die from contracting Covid-19 or have more severe illness. Disabled people and Minority Ethnic people experienced particular difficulties, and lone parents, around 90% of whom are women, struggled to meet the needs of their families. The cost of living crisis has compounded this. The ongoing impact of the pandemic will be more acute for those living in socio-economic disadvantage or experiencing discrimination or barriers to accessing services because of a lack of understanding of protected characteristics and service user needs.

All this means that as part of the transformation of local government it is crucial to focus on those whose lives are far from ideal, developing holistic family support services that break down silos of service provision between organisations, sharing data and information within organisations to ensure the right packages of support can be provided across services and meaningfully engaging with all the different communities of place or interest.

Key questions

- ◆ How does the 21st century Council ensure that citizens who engage in the co-design and co-production of services are fully representative, recognising that this level of participation is resource intensive and the capacity is not currently within the system in a consistent manner?



Additional considerations

Creating and implementing transformation requires new ways of working. In order to move from exploring and discussing opportunities to building them, councils will need to work proactively to make change happen. To do this, they may need to build their internal capacity by learning and implementing 'best practice mind-sets' - skills and tools that creatively enable councils to continually assess and rapidly adapt to changing local needs.

The table below sets out a number of key stages (conditions for change) that would need to be considered to successfully deliver the future model.

Stage of Improvement	Pace	Why
Creating Conditions	Slow	<p>Need a safe process to allow elected officials and their staff to develop their capacity, share information, innovate, baseline data etc. For example:</p> <ul style="list-style-type: none"> ◆ Learn new skills that increase their capacity to apply creative problem-solving and innovation mind-sets; ◆ Baseline and understand the data ◆ Consider the people available to deliver the transformation and what might need to change (e.g. examining and potentially changing hiring protocols, to enable flexible contracts and hiring to flex up when specific skills are needed, and rapidly stepping them down when they are not) ◆ Have serious conversations about how services are funded, to explore options for providing targeted support that ensures those residents most in need, the vulnerable and historically underrepresented, are served rather than a larger more generic geo-located population.
Understanding areas for innovation & transformation within the system	Fast	Progress to be made on identifying areas where councils agree to work together / collaborate at a local, regional and national level to create cost-savings and increased impact at scale.
Developing Aims	Fast	Agree measurable outcomes and approach to evaluation, to evidence, capture and communicate the effectiveness of change. Agree appropriate governance and oversight, enabling flexibility and agility.
Testing Changes	Medium	Ongoing testing of changes to evaluate what works and allow transparency of approach, whilst continually identifying improvements.
Implement	Slow	Once for all approach, underpinned by the ability to flex solutions at a local and regional level and to collaborate across non-aligned council boundaries, i.e. geography agnostic
Spread	Medium	Across the sector

Helsingborg Innovation – extract from <https://innovation.helsingborg.se/>

“Helsingborg’s investment in innovation is based on establishing a long-term innovation culture, which is based on courage, trust and cooperation. To establish an innovation structure is not to establish a traditional structure in an organisation, with departments, units and teams. Rather, it is about creating opportunities to work in the spaces. In the spaces between the departments and the administrations. The new structure will make it easy to go from having an idea, to testing it sharply, to then scale it up. It must be clear where you go with your idea, who helps, what information is needed, how decisions are made, how funds are requested and how everything is ultimately reported and evaluated.

At the same time, the right abilities are needed, which should work in the spaces and create collaboration. The innovation investment has meant that the city has had to establish completely new roles. Today there is an innovation leader in all administrations and the accelerator and meeting place Hbg Works has been established to support all administrations and the city’s companies in the innovation work. At the same time, we have directed the light outwards to see what abilities already exist in the city’s various activities. This is where the innovation work will take place.

However, this has to go back quite a bit to see where the strategic work began. A basic precondition was to first create an understanding of what innovation work is - in the entire organisation. There was an early realisation that everyone must be on the same page for us as a city to succeed. The idea of the innovative city then began to spread to the city’s employees, managers and management, but also to residents.

Early on, Helsingborg began working with trust-based governance. Steering with confidence means taking advantage of the abilities and commitment of residents and employees. About starting from the needs of the resident, company, organisation or visitor. All to create better quality in the services. To meet the needs and experiences of those we work for, we have a holistic view of our governance where we stimulate collaboration within and between the city’s operations and with other partners, to create a more independent and courageous organisation. Under the slogan “Dare, test, do”, this work has paved the way for the innovation initiative, which is largely based on the same values. Successful innovation work is thus largely about changing a culture. Courage and confidence need to be instilled in everyone. It requires a leadership that dares to make decisions, even though you don’t really know if you will succeed or not. To dare to put down what doesn’t work. It requires that we dare to admit that we do not always know best and that we therefore cooperate across borders. Helsingborg aims to work even more with companies, residents, associations and academia - but also with other municipalities. There is a strong belief that the challenges of the future can only be solved if we do it together, associations and academia - but also with other municipalities.

What does it take to succeed in innovation?

As part of the strategic work, the City of Helsingborg studied other organisations that have been successful in their innovation work. Six common success factors were identified, which were also supported in research results. To succeed with innovation requires, among other things:

- ◆ Highly set goals with the innovation work.
- ◆ Earmarked budget that should only go to innovation.
- ◆ A culture characterised by trust, transparency, courage and confidence.
- ◆ Free up resources, so that employees can dedicate time to work on innovation. That work cannot be done in addition to ordinary tasks.
- ◆ Fast decision-making process, because enthusiasm for newly hatched ideas tends to fade if the decision paths are too long.
- ◆ An entire ecosystem with processes for both idea work and testing as well as upscaling of the innovations”.



Conclusions and next steps

This report seeks to establish a number of themes around which the local government sector can address the challenges and (more importantly) the opportunities it faces, and how it might transition to a model of service delivery that builds on current success but more deliberately supports effective partnership to deliver the outcomes needed in communities. The approach outlined complements COSLA's Blueprint, providing a vehicle to support the delivery of the Blueprint's ambitious vision for Scottish Local Government and the communities it serves.

The report recognises the significant progress being made within the sector, and seeks to develop thinking around how this progress can be 'stretched' to ensure an operating model that is sustainable and continues to deliver outcomes over the coming years.

The Improvement Service is seeking to work with Solace and individual local authorities to identify opportunities for transformation which will help progress the development of the 21st century Council model, to get some tests of change up and running and to develop a timeline for this work. Whilst seeking to develop solutions that can be adopted at a 'once for the sector' level, this would be underpinned by the need to ensure regional and local flexibility to exploit the opportunities that come with collaboration with relevant councils and partners.

There is an opportunity to refocus the work of the Improvement Service to support local government to transition to a future operating model, with the refresh of its five-year Strategic Framework.

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