

Innovating, Developing, & Transforming (IDT) – Special Interest Group
UPDATE

Summary & Recommendations

This report provides an update on the work being overseen by the Innovating, Developing, and Transforming Special Interest Group (IDT SIG). Two meetings have taken place since the establishment of the IDT Special Interest Group; initially on 13 October 2023, at which time the focus and terms of reference were agreed, with input from the Improvement Service and the Scottish Government on Public Sector Reform and Transformation work; then on 22 January 2024 when further contributions were heard on the Local Governance Review (LGR) including Democracy Matters 2 and Community Planning. The next meeting is scheduled for 08 March 2024.

The meetings to date have reflected the desire of all partners to work positively together on the key strategic areas of work as set out at **Appendix I** and ensure coordination across those workstreams.

Leaders are invited to:

- i. Note the initial steps taken through the establishment of the IDT SIG to bring coherence and make lasting connections with the organisations and teams working jointly on these key policy areas;
- ii. Agree the SIG continues to maintain the dialogue across the strategic policy areas which is imperative to the coordinated approach toward securing our shared ambitions; and
- iii. Note that appropriate updates be brought to Leaders as required, to progress work that impacts the size, shape or nature of Local Government.

References

Previous key reports:

- None

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Date Considered 23/02/2024



Innovating, Developing, & Transforming (IDT) – Special Interest Group **UPDATE**

Purpose

1. To provide an update on the work being overseen by the Innovating, Developing, and Transforming Special Interest Group (IDT SIG) which is being progressed jointly by COSLA, the Improvement Service, and Scottish Government, in relation to the Local Governance Review (LGR) and broader Public Service Reform (PSR) agenda; and to seek a political steer from Leaders on the next steps and wider engagement with Councils.

Background

2. The IDT SIG was established with the aim of facilitating constructive dialogue, collaboration, and coordination between political leaders and key stakeholders on topics that significantly impact the communities we serve. The intention is that by coming together, a more joined up, transparent and efficient local government system can be created that prioritises citizen engagement, financial stability, and transformative change.

Current COSLA Position

3. Following agreement by Leadership Sounding Board, the Innovation, Development, and Transformation Special Interest Group was established to provide the forum for discussing and securing a co-ordinated COSLA/Local Government political overview and ensuring that the necessary connections are made between key strategic policy areas.
4. The first meeting, which took place on 13 October, saw the agreement of the remit/terms of reference (appendix I, paragraph 20), the purpose, scope, and focus of work for the next 12 to 18 months as well as an agreement on the format and frequency of future meeting (the next to take place on 8 March).
5. Across both meetings held to date – the most recent being on 22 January 2024 – presentations and discussions have involved Sarah Gadsden, Chief Executive, Improvement Service; Mary McAllan, Director and Simon Mair, Deputy Director, Public Sector Reform, Scottish Government; and COSLA. Discussions have covered Local Governance Review (including Democracy Matters 2 and Single Authority Models), Public Sector Reform, Transformation, and Open Government. Future discussions will also give consideration to securing political views on the development of a new Digital Strategy for Scotland.

Summary of key discussion points

Solace/IS Transformation Work

6. The SIG acknowledged the importance of a partnership between Solace and the Improvement Service and it was agreed that the SIG would be the key stakeholder group for political engagement and progress monitoring as areas of transformation work are identified in particular where there is an impact on local governance and democracy, and/or the shape of Local Government.

7. The SIG was given assurances that COSLA Officers would remain involved in the dialogue required to provide input that will ensure political oversight.
Scottish Government's Public Service Reform agenda (including Local Governance Review).
8. The SIG agreed the importance of the role Councillors play in the journey toward securing greater community empowerment and have noted the need to build on capacity to work with elected members and enhance the role they have to provide the leadership and trust required to work in new ways. This will empower communities and further encourage people to participate in local democracy. Members also acknowledged that more work could be done on encouraging councils to get involved without the need for imposition or mandate.
9. Another important consideration that was acknowledge by the SIG was the current tendency for duplication of extensive work on reform together with the need for the system to be reactive. It was noted that maintaining strong links with the Scottish Government on ongoing work within workstreams would be beneficial to avoid duplication.

Proposed COSLA Position


10. Leaders are asked to:
 - i. Acknowledge the initial steps taken through the establishment of the IDT SIG to bring coherence and make lasting connections with the organisations and teams working jointly on these key policy areas;
 - ii. Agree continued support to maintain the dialogue across the strategic policy areas which is imperative to the coordinated approach toward securing our shared ambitions.

Next Steps

11. The next IDT SIG meeting will take place on 8 March 2024. Appropriate updates will be brought to Leaders as required, to progress work that has an impact on the size, shape or nature of Local Government.

Date Considered: 23 February 2024

Contribution to agreed COSLA Plan and Verity House Agreement:

<p>COSLA Plan 22-27</p> 	<p>Priority Areas</p> <p>Strengthen Local Democracy <input checked="" type="checkbox"/></p> <p>Secure Sustainable Funding <input checked="" type="checkbox"/></p> <p>Improve the Wellbeing of Individuals, Families and Communities <input checked="" type="checkbox"/></p> <p>Enhance Education and Support for Children and Young People <input checked="" type="checkbox"/></p> <p>Deliver a Just Transition to a Net Zero Economy <input checked="" type="checkbox"/></p> <p>Support the Most Vulnerable in our Communities <input checked="" type="checkbox"/></p>
<p>Verity House Agreement</p>	<p>Shared Priorities</p> <p>Tackling Poverty <input checked="" type="checkbox"/></p> <p>Just transition to net zero <input checked="" type="checkbox"/></p> <p>Sustainable Public Services <input checked="" type="checkbox"/></p>

Appendix 1:



Innovating, Developing, Transforming (IDT) Special Interest Group (SIG) Overview Paper

Background and Purpose

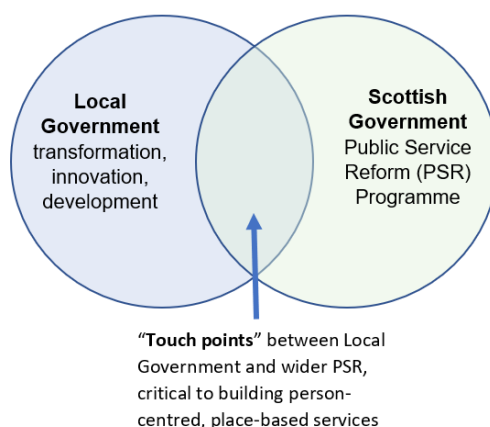
1. Following agreement to establish a SIG by Leaders in May, and a subsequent discussion at LSB in June, this paper provides this new ***Innovating, Developing, Transforming (IDT) SIG*** with an overview of the current context and the key work areas that are proposed to form part of the SIG's remit. The paper provides a starting point for enabling and facilitating constructive dialogue, collaboration, and coordination between political leaders and key stakeholders on work areas that are strategically significant to Local Government and could ultimately impact the way in which we support and serve our communities. Once fully appraised with the current situation in relation to these strategic work areas, the SIG will provide the forum for discussing and securing a co-ordinated COSLA/Local Government political overview and ensuring that the necessary connections are made between these key policy areas.
2. The SIG is asked to consider the strategic work areas set out below that are within the scope of its remit, a proposed terms of reference and agree a schedule of meetings and broad workplan for 2023/2024 initially. Given that the SIG is aligned to the COSLA Plan, and its remit covers such strategically significant work areas, it is envisaged that the SIG will exist for the remainder of the Local Government term.
3. At this first meeting, the paper will be complemented by officer input from the Improvement Service and Scottish Government on relevant work areas.

Current context

4. The **COSLA Plan 2022-2027** has six key priority areas, underpinned by a commitment to "*initiate a shared programme of work aimed at enabling transformation and innovation for our member councils across Scotland*". These priorities will support Local Government to "*build on its record of being a leader of transformational change across public services*". Key to this is ensuring that Local Government is empowered to lead and act in a way that allows it to respond to the needs of local communities. However, the current and projected fiscal outlook combined with demand pressures will mean looking at how services are delivered into the future, what is sustainable and what best meets the needs of our communities.
5. The Society of Local Authority Chief Executives (SOLACE) and the Improvement Service play critical roles in driving transformative change across local government. In parallel to the development of the COSLA Plan, **SOLACE and the Improvement Service** have embarked upon an ambitious programme of transformation work. This will comprise both strategic and operational projects and programmes, aligned to the Christie Commission and Strengthening Local Democracy Commission principles but also set against the realisation that we still face significant inequalities and "an

implementation gap between policy ambitions and delivery on the ground” (Auditor General 2021).

6. There are six transformation “anchors” within the programme, but these have been “paired” and leads identified for each pair of anchors:
 - I. Unlock Community Action & Enable a functioning, trusted local and central government relationship;
 - II. Lead council and cross-sector partnerships with a focus on outcomes & Tackle inequality and meet the needs of all citizens;
 - III. Design for People’s Needs & Create Digital, Design and Technology Enabled Transformation.
7. A key consideration for this work is ensuring that the work to address the six anchors complements and enhances existing programmes already underway within Local Government, as well as key strategic priorities for COSLA including the Local Governance Review and incorporation of the European Charter of Local Self-Government.
8. From time to time, some of the work that this programme is seeking to undertake may require political discussion and input, for example when it proposes significant changes to the shape or “size” of services currently provided by councils. The SIG will provide an opportunity for this discussion and for its members to agree when issues are of strategic significance to require consideration by COSLA Leaders. The SIG will also provide SOLACE and the Improvement Service with the opportunity to hear from key political stakeholders and to get their views as work programmes are developed under each anchor.
9. The **Verity House Agreement (VHA)** has committed both Scottish and Local Government to ensuring that services are delivered in a sustainable and person-centred way. The VHA also states that Scottish and Local Government will work together strategically to advance public service reform (PSR), building on the joint work under the Covid Recovery Strategy. Scottish Government is developing its **PSR programme** for the wider public sector in Scotland and there will be some ‘key touch points’ between this wider PSR programme and Local Government that could influence and impact the shape of services on the ground.



10. Inextricably linked to all these strategic pieces of work is COSLA's long-standing commitment to the **Local Governance Review** and to ensuring that local democracy is as strong as possible. There is a commitment in the VHA that Scottish and Local Government will work together to conclude the Review by the end of this parliamentary term, with an equal focus on the fiscal, functional and community empowerments that will enable public service reform, innovation and collective, whole system improvement.
11. LGR is pivotal and warrants attention and input from all political parties having been in development since 2018. It encompasses various aspects of local governance, including decentralisation, empowerment of communities, enhancing accountability, and improving service delivery.
12. One of the ideas which emerged from the first round of Democracy Matters in December 2018 was the concept of the **Single Authority Model**. This idea has been suggested as an area for further exploration and update, by COSLA and the Scottish Government, along with the range of other ideas that had emerged prior to the pandemic.
13. At a meeting of SG Ministers, COSLA Presidential Team, and Leaders of the Islands Councils, earlier this year, it was agreed that *all* proposals that emerged for the first round of Democracy Matters should be reviewed within the post pandemic context and considered as part of the same programme of work. The Deputy First Minister (DFM) has reiterated she is keen that current work extends beyond just that of *Single Islands Authorities* models, though Shetland Island Council has made it clear that at this time they do not wish to pursue consider of a single authority model.
14. Recognising the need to complete the work on this, Democracy Matters 2, jointly launched by SG and COSLA in July, seeks to develop further our understanding of the type of local democratic systems and institutions required to place power and resources in local people's hands. Comprising 'conversation events' across Scotland, DM2 is taking place over a 6-month period until January 2024.
15. Officers are currently in discussion regarding how best to progress the specific work on the Single Authority Model.
16. Re-engaging in in-depth discussions on LGR, and reflecting discussions at this year's COSLA Conference, will enable us to identify common goals and address challenges collectively, leading to a more responsive and effective local governance structure and ultimately, a Local Democracy Bill that works for all spheres of government and communities. (The SIG should note that although fiscal empowerment is part of this work (closely linked to functional empowerment), a separate, more technical Member/Officer Group has been established to look specially at a Fiscal Framework for Local Government and Convention was provided with an updated on this).
17. At LSB in June, it was also suggested that the theme of **Open Government** be added to the remit of the SIG as this remains an active area of work that, through the participatory budgeting initiative, COSLA has been directly involved in. The Open Government partnership globally aims to enhance participative democracy through enhancing openness and transparency of democratic systems that enables

individuals and communities to better engage and be involved in decisions affecting their lives.

18. The Open Government steering group is co-chaired by Scottish Government, COSLA and Civil Society and offers a valuable opportunity to support transformational change across the wider public and third sector partners.

Key Points for Consideration

19. Scope: It is proposed that, set against the context of the COSLA Plan and the Verity House Agreement, the following linked strategic work areas become the focus of the SIG, with a workplan shaped around this for the for coming 12 – 18 months to build awareness and ensure strategic coordination and alignment (and importantly, avoid duplication):

- a. Local Governance Review (including Single Authority Model work)
- b. IS/SOLACE Transformation programme
- c. Public Service Reform, and specifically how the Scottish Government's programme interfaces with Local Government and the delivery of person-centred services
- d. Open Government

20. Proposed Terms of Reference:

- a. The SIG will ensure that the work of COSLA (on behalf of Local Government) focuses on the three underpinning COSLA Plan themes of *Innovating*, *Developing* and *Transforming*.
- b. In relation to the 4 specific work areas (named above), the SIG will:
 - i. provide political oversight and monitor progress on these strategically; important work areas;
 - ii. provide a forum for political discussion; and
 - iii. take decisions on what is required to be considered by COSLA Leaders and other governance structures, as required.

21. Workplan – reflecting on the input from IS and SG at this meeting, the SIG is asked to consider its priorities for the next 12-18 months so that a plan can be prepare by officers, with actions and milestones. The SIG may wish to consider whether it wishes to pursue the following:

- a. **Expert Input and Research**: Seek input from relevant leads and subject matter experts, academia, and relevant stakeholders in each development area. Research and data analysis will provide valuable insights to inform decision-making and ensure that the group has access to evidence-based recommendations.
- b. **Task Forces and Working Groups**: Form task forces or working groups comprising council leaders, experts, and stakeholders to focus on specific

issues within each development area. These groups could delve deeper into challenges and propose targeted solutions.

22. Format of meetings - To ensure inclusivity and encourage open discussions, it is proposed that the meetings will be offered as hybrid, although consideration might be given to holding every other meeting in person.
23. Frequency of meetings - the SIG is asked to consider meeting every two months, allowing for regular updates and progress reports on programmes of work that are taking place under each of the 4 strategic work areas.

October 2023