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# MC-eGov Study on Multi-channel Delivery Strategies and Sustainable Business Models for Public Services addressing Socially Disadvantaged Groups

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## **CASE STUDY:**

**Scotland – Strategies and Channels for Social Inclusion**

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## 1.0 INTRODUCTION

The material from the meetings, and desk-research, is organised in the context of the Framework of Fundamental Principles (Annex B) that is being built on the pan-European research within [www.mcegov.eu](http://www.mcegov.eu) , and the Operating Models that can be constructed between actors at all levels (Annex C).

## 2.0 THE CONTEXT

While Scotland has a devolved government there are some functions relating to social and economic exclusion that are still controlled from London, for example the UK retains reserved responsibility for employment, which includes the welfare to work programmes such as 'New Deal' and 'Pathways to Work'<sup>1</sup>.

Local employability partnerships implementing Workforce Plus, the Scottish Government's employability framework, have to work around the UK level programmes in their area, and have little or no influence over the nature of that provision in their area. Therefore the package of policies and programmes for social inclusion are not accompanied by an equivalent package of devolved powers.

The fundamental 'value proposition' involved in the strategy for social inclusion is citizens can be more effectively helped to overcome social inclusion through Government actions that:

- Understand in detail the nature and extent of social exclusion, and set policy targets based on the evidence;
- Critically review policies, and build a coherent policy framework in which social inclusion is seen as a range of challenges that are experienced by individuals (who may have multiple exclusions), not by generic groups (e.g. the 'Homeless');
- Construct the organisational framework within which to deliver the policy objectives;
- Build an environment of shared services, and ensuring that services can be accessed through multiple channels that are of relevance to citizens and the intermediaries who help deliver services to citizens, and which encourage citizens to become partners in the service delivery chain;
- Implement the policy framework through a formalised multi-level partnership where local government and third sector stakeholders (who understand the detailed local landscape of social exclusion) contract with national Government to deliver a portfolio of services to socially excluded people;
- Identify impact and value. Use outcome-based monitoring, not just performance targets.

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<sup>1</sup>

[http://www.jobcentreplus.gov.uk/JCP/Customers/outofworkhelplookingforwork/Getting\\_job\\_ready/Programmes\\_to\\_get\\_you\\_ready/New\\_Deal/](http://www.jobcentreplus.gov.uk/JCP/Customers/outofworkhelplookingforwork/Getting_job_ready/Programmes_to_get_you_ready/New_Deal/) and <http://www.dwp.gov.uk/welfarereform/pathways.asp>

### 3.0 UNDERSTAND THE NATURE AND EXTENT OF SOCIAL EXCLUSION

The complex nature of social exclusion in Scotland is detailed in a range of official sources. At the national level the Scottish Household Survey provides statistical information based on a sample of data was collected from “3,414 householder interviews and 12,242 "random adult" interviews in 2007”<sup>2</sup>. The 2007 Survey examined financial exclusion, and the characteristics were:

- *A large proportion of households in Scotland do not have any savings or investments (41%), with those in the two lowest income categories the least likely to have any savings (37% compared with a national average of 52%). Furthermore, only 21% of single parent households have savings and investments;*
- *The proportion of households where neither the respondent nor their partner had a bank or building society account has seen a gradual decrease over the past nine years, falling from 12% in 1999 to 5% in 2005 and remaining stable since. 11% of those on the lowest incomes don't have an account, compared to 5% overall;*
- *46% of social renting tenants do not have home contents insurance.*
- *Purchasing goods via credit is also far less prevalent in households in deprived areas. Of those households in the 15% most deprived areas over half (53%) do not use any form of credit to purchase goods, compared with only 29% in the rest of Scotland. This is likely to reflect the fact that those in stronger financial positions are generally more able to access credit than those with whose finances are less secure.*

An approach that integrates a range of variables related to social exclusion is the Scottish index of multiple deprivation (SIMD). In the most recent report (2006, with a planned update in 2009) key characteristics are:

- *Glasgow City, North Lanarkshire, and South Lanarkshire have seen relatively large decreases in their share of data zones in the 15% most deprived areas in Scotland between the SIMD 2004 and SIMD 2006.*
- *Fife, Aberdeen City, Highland and Inverclyde have seen relatively large increases in their share of data zones in the 15% most deprived areas in Scotland between the SIMD 2004 and SIMD 2006.*
- *The 15% most deprived data zones in SIMD 2006 contain 36 per cent (257,041) of Scotland's income deprived population and 33 per cent (134,347) of Scotland's employment deprived working age population.*
- *Local authority areas with the largest national shares of the 15% most deprived in Scotland are Glasgow City (34 per cent), North Lanarkshire (nine per cent), City of Edinburgh (seven per cent) and South Lanarkshire (six per cent).*
- *Local authority areas with the largest local share of the 15% most deprived in SIMD 2006 are Glasgow City (48 per cent), Inverclyde (38 per cent), Dundee City (30 per cent), West Dunbartonshire (28 per cent), Clackmannanshire (23 per cent) and North Lanarkshire (20 per cent).*

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<sup>2</sup> SCOTLAND. (2008e). *Results from the 2007 Scottish Household Survey*. (August 7) Scottish Government, [cited October 21 2008]. <http://www.scotland.gov.uk/Publications/2008/08/07100738/0>

- *Eilean Siar, Moray, Orkney Islands and Shetland Islands do not have any data zones in the SIMD 2006 15% most deprived. This does not mean there is no deprivation in these areas rather that it is not concentrated in small areas*<sup>3</sup>.

In a report which reviewed the evidence of financial and other exclusions the advice is clearly stated that it is not logical simply to take the measures of social exclusion and transfers them into targets to reduce the various components of exclusion:

*“Measures to tackle exclusion need to be multi-faceted as it seems as if the various types of exclusion only partially overlap and spatial targeting at the local authority level using measures of deprivation may only be partially successful”*<sup>4</sup>.

The development of the more coherent approach is evident in the current policy context, not only in the ways in which social exclusion are analysed and addressed through policy, but also in the context of the channels of delivery, and the actors involved in the delivery chain. These are covered in the following sections.

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<sup>3</sup> SCOTLAND. (2006b). *Scottish Index of Multiple Deprivation 2006: General Report*. (October 17) Scottish Government, [cited October 10 2008]. <http://www.scotland.gov.uk/Publications/2006/10/13142739/0>

<sup>4</sup> HAYTON, K., PERCY, V., LATIMER, K. & CHAPMAN, M. (2007). *A summary of evidence about financial inclusion in Scotland using analysis from the Scottish Household Survey and other sources*. (October) Scottish Government, [cited October 21 2008]. <http://www.scotland.gov.uk/Publications/2007/09/27144121/0>

## 4.0 CONSTRUCT THE ORGANISATIONAL FRAMEWORK

Organisations are becoming client-facing. A range of policy and strategy documents have given an insight into the complexities both in addressing the diversity of social inclusion<sup>5</sup> needs, and there has been a fundamental shift away from specific agency interventions towards a strategy that addresses the complex needs of socially excluded people (for example understanding individual needs and behaviours using ‘customer journey maps’<sup>6</sup>) and encourages them to become partners in the exit from exclusion. In a discussion paper on poverty, inequality and deprivation the Government promoted:

*“Delivery of sustained, holistic, personalised support which is client rather than provider-focused and equips individuals to sustain themselves into the future.*

*The adoption of policies and services that are founded upon user involvement, consultation with people experiencing poverty, and community engagement and empowerment, so that policies and practice are informed by the real experience of those whom we are trying to help”<sup>7</sup>.*

Within government there are joining-up strategies between stakeholder departments in the Scottish Government structure. The range of ‘problem owners’ in the area of social inclusion<sup>8</sup> is considerable, spanning many Government Departments<sup>9</sup> for example the following people were invited to the meetings related to this project: Deputy Director, Employability and Skills; Acting Team Leader Workforce Plus; Workforce Plus National Delivery Manager; Senior Economic Adviser –Education Analytical Services; Workforce Plus Team leader ; Deputy Director Enterprise &; Employability for Young people; Team Leader, Third Sector Division ; Deputy Director, Third Sector & Social Economy; Deputy Director of Public Service Reform and Efficiency; eHealth Programme Director; Deputy Director Care and Justice; Transformational Technologies Division: Implementation; Principal Research Officer -Lifelong Learning.

What is happening in the Scottish Government is an emerging integrated approach to social exclusion challenges, where joining-up is done not just through policies and targets, but also by negotiating alliances and joint programmes across the power structures of the problem owners, forming well-structured relationships with the Third Sector, and delivering focused interventions, such as those addressing financial inclusion.

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<sup>5</sup> And it is interesting that there was a switch in terms around 2002 from the old term ‘social exclusion’ to ‘social inclusion’, indicating a focus on actions to promote inclusion, rather than a focus on typologies and labels attached to problems.

<sup>6</sup> See the UK local government approach at <http://www.ldghowto.org.uk/18.htm>

<sup>7</sup> SCOTLAND. (2008h). *Taking Forward The Government Economic Strategy: A Discussion Paper on Tackling Poverty, Inequality and Deprivation in Scotland*. (February 1) Scottish Government, [cited October 21 2008]. <http://www.scotland.gov.uk/Publications/2008/02/01150409/0>

<sup>8</sup> See also the regular bibliographic summaries of publications in this area, for example SCOTLAND. (2007g). *Social Inclusion Research Bulletin No. 16/2007*. Scottish Government, [cited May 7 2008]. <http://www.scotland.gov.uk/Publications/2007/03/29101711/0>

<sup>9</sup> See <http://www.scotland.gov.uk/Resource/Doc/1124/0059408.pdf> for the full organogram of the Scottish Government.

## 5.0 BUILD AN ENVIRONMENT OF SHARED SERVICES

Shared vision requires shared information. The information needs to be accurate and (ideally) integrated so that the information for all individual needs can be constructed (subject to privacy and data protection regulation). In some EU countries (for example Denmark and Belgium) this is carried out optimally using electronic identity management. In Scotland there is no eID available, and instead there is a pragmatic process of using a Health Service identifier as a sub-optimal linkage.

### 5.1 Shared services and multi-channels

The Shared Services strategy aims to achieve “*each service having a functional operating model of how the service is delivered identifying the use of self-service, centres of excellence, service centres and processing centres and the use of multi-channel access*”<sup>10</sup>.

The channels mentioned are not purely the eGovernment digital channels. In 2006 a report was produced following a consultation about Digital Inclusion Policy<sup>11</sup>. There was general consensus that “*the way in which public services were currently delivered did not adequately support disadvantaged groups and that we needed to make more effective use of technology to improve service delivery for these groups*”.

However, there were strong opinions that the channels of delivery should be more than electronic, and that conventional face-to-face (either directly between a citizen and government officer, or indirectly through an intermediary) was very important. One reason was that complex exclusions generally make it difficult for socially excluded people to access the Internet<sup>12</sup>. Consequently:

*“service design should be user led rather than service led ... A range of intermediaries were identified as having a role in promoting use of electronic services including library staff, voluntary organisations, representative groups and bodies and those working in customer facing roles in delivering public services. A high number of respondents also felt that a channels strategy which identified delivery channels which were particularly effective for specific services and customer groups could contribute to improving delivery of public services”.*

An integrated strategy was therefore adopted where “*The Executive as a partner in the Scottish Digital Alliance, will work together with public and private sector partners to promote a uniformed approach to Digital Inclusion*”<sup>13</sup>.

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<sup>10</sup> SCOTLAND. (2007d). *The Guidance Framework for Shared Services aims to provide information, education, guidance and case study examples to those considering Shared Services and to those already on a Shared Services journey.* (December) Scottish Government, [cited October 21 2008].

<http://www.scotland.gov.uk/Publications/2007/12/SharedServicesGuidance>

<sup>11</sup> SCOTLAND. (2006a). *Report on Responses to the Scottish Executive Digital Inclusion Consultation.* (March) Scottish Government, [cited May 7 2007].

<http://www.scotland.gov.uk/Publications/2006/03/ReportonSEDIConsultation>

<sup>12</sup> A number of respondents expressed the view that the People's Network had made a strong contribution to digital inclusion <http://www.peoplesnetwork.gov.uk/> [http://www.mla.gov.uk/programmes/peoples\\_network/faqs](http://www.mla.gov.uk/programmes/peoples_network/faqs)

Lottery-funded by the Big Lottery Fund and managed by MLA, the People's Network project is part of the Government's commitment to give everyone in the UK the opportunity to use computers and access the internet.

<sup>13</sup> SCOTLAND. (2007a). *Digital Inclusion in Partnership.* (February) Scottish Government, [cited May 7 2008].

<http://www.scotland.gov.uk/Publications/2007/02/28141134/0>

The sensitivity to the needs of excluded people is evident in the emerging focus at the macro level to design and deliver a single portal electronic services (eGovernment) within the OneScotland Portal<sup>14</sup>. The Portal *Project Initiation Document* noted:

*“According to the Scottish Household Survey (2005/2006) the percentage of adults who have access to the internet stands at 53 per cent, however only 37 per cent of those use the Internet to access government/official sites, with only 4 per cent stating that they would possibly use the Internet for such a purpose in the future”.*

Nevertheless, the document also noted:

*“Digital Inclusion policy advocates the need and importance of accessibility in terms of public sector service and information provision. The OneScotland Portal with a consistent look and feel would provide an ideal mechanism for furthering the Scottish Digital Inclusion agenda in particular in relation to the accessibility issue”.*

## **5.2 Building an environment of trust in services**

If citizens are to become partners in a process that helps them to exit from exclusion then they need to trust the services and the actors involved in the delivery chain. In a visit to Finland by Members of the Scottish Parliament, one of the findings highlighted the need to build stronger bonds of trust between citizens and Government:

*“One of the key themes to emerge from the trip was the extent to which citizens trust government in Finland. This is primarily based on a long tradition of openness in the administration as well as an emphasis on a national political consensus including close co-operation between the trade unions, business and government. A key by-product of this trust is the willingness of citizens to utilise online services with 73% of citizens having used an eGovernment service”<sup>15</sup>.*

This concurs with research into the relationship between trust, transparency, and citizen participation<sup>16</sup>. Consequently, there is a logical connection between an integrated eGovernment portal in the context of an acknowledgement that socially excluded people are both less likely to use the Internet, and that the task of connecting them to services is likely to be achieved rapidly and effectively not just through pure electronic channels<sup>17</sup>, and much more likely where they are provided with trusted support and advice. Hence the emerging focus (noted below) on the Third Sector, which not only is positioned to help identify service needs, and to help deliver them, but also which is *“well-placed to pinpoint constraints the current devolution settlement places on our ability to address the real problems people face”<sup>18</sup>.*

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<sup>14</sup> SCOTLAND. (2007e). *OneScotland Portal: Project Initiation Document*. (September 26) Scottish Government, [cited May 7 2008]. <http://www.scotland.gov.uk/Resource/Doc/1067/0055457.doc>

<sup>15</sup> SCOTLAND. (2007f). *Report of the European Commission Study Trip to Finland*. (March) Scottish Parliament, [cited May 2 2007]. <http://www.scottish.parliament.uk/business/committees/europe/reports-07/eur07-finland.htm>

<sup>16</sup> BLAKEMORE, M. & LLOYD, P. (2007). *Think Paper 10: Trust and Transparency: pre-requisites for effective eGovernment*. (August) Ccegov Project, [cited September 1 2007]. <http://www.ccegov.eu/Downloads/Paper%2010%20Trust,%20Transparency,%20Efficiency%20and%20eGovernment%20v2.3.pdf>

<sup>17</sup> SCOTLAND. (2008c). *Digital Inclusion*. Scottish Government, [cited May 7 2008]. <http://www.scotland.gov.uk/Topics/Government/Open-scotland/17820>

<sup>18</sup> SCOTLAND. (2008f). *Role of third sector in Scotland's future*. (March 12) Scottish Government, [cited June 5 2008]. <http://www.scotland.gov.uk/News/Releases/2008/03/12100654>

### 5.3 Integrating information across the service landscape

Combining services can be achieved through a number of processes. Organisations can be merged (the Organisational Transformation and Change agenda), the services can be joined up through eGovernment strategies (the Interoperability agenda), they can be joined up near to the citizens through the roles of the Third Sector, or they can be integrated technologically into a single service portal that assesses the needs of citizens and proactively delivers services and benefits to them – the latter example is typified by the Crossroads Social Bank in Belgium<sup>19</sup>.

The Scotland strategy utilises the first three approaches. The fourth option, fundamental integration of all systems, is not achievable in the UK context so long as there is doubt about the development of identity cards. Nevertheless, informational interoperability is a policy goal:

*“With greater integrated service provision, there is a need for sharing of personal data across public sector agencies. The Scottish Executive through its Data Sharing and Standards Division supports the delivery of better care, advice and assistance to the people of Scotland through the use of computers and communications technology”<sup>20</sup>.*

In the absence of identity cards a form of information ‘link’ across the services is provided by the CHI (Community Health Index<sup>21</sup>) Number. 90% of residents (soon to be 100%) have the number, allocated within two days of birth, which is their date of birth plus a four-digit identifier. The CHI number functions as a ‘pseudo-identity’ mechanism, and at present the automated matching of records is successful in about 67% of operations, with manual matching then taking place and any data corrections being fed back into the respective databases. Thus the CHI number provides an incrementally improving mechanism to link records across the domains of social inclusion.

While CHI is used as a pragmatic mechanism there are still problems with data associated with the MCMC (More Choices, More Chances) group and other younger people at the local level. The task of linking together the needs of socially excluded people (as opposed to past policy attention to segmented groups of socially excluded people) is therefore being undertaken incrementally using the CHI Number, but the CHI clearly is not an ideal substitute for identity cards/identity management.

The eCare Programme<sup>22</sup> involves shared information the local level through 14 federated partnerships. The service covers social work, education, health, housing, police, and engages with third sector organisations. The information sharing is underpinned by a strong data security model (eCare won a European Data Protection Award in Madrid at the end of 2007). The data model only allows people to be matched across services, but the data are not integrated into a single database, thus protecting privacy.

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<sup>19</sup> ROBBEN, F. (2008). *Automatic granting of complementary benefits*. (June 27) European Commission, [cited July 31 2008]. <http://www.epractice.eu/cases/2763>

<sup>20</sup> SCOTLAND. (2007a). *Digital Inclusion in Partnership*. (February) Scottish Government, [cited May 7 2008]. <http://www.scotland.gov.uk/Publications/2007/02/28141134/0>

<sup>21</sup> <http://www.datadictionaryadmin.scot.nhs.uk/isddd/11203.html>

<sup>22</sup> <http://www.scotland.gov.uk/Topics/Government/DataStandardsAndeCare>

## 6.0 MULTI-LEVEL PARTNERSHIP

The focus on the individual, and their complex of social exclusions, is being addressed by encouraging individuals to become part of the delivery chain, and to support them in this process. Third Sector (TS) organisations have been identified as being key actors in the delivery chain. Through the *'Enterprising Third Sector Action Plan'*<sup>23</sup> there is a prioritisation of training and support for third sector intermediaries. This is being undertaken through and the provision of funds, for example through the Scottish Investment Fund.

There has been a broader consideration of how the TS should be funded to help deliver services. In most Government relationships (that is on the EU scale where this study has been investigating the role of TS partners) the TS is not fully-funded to deliver services in the same way that would be the case with a commercial contractor.

TS organisations tend not to have formal commercial-style financial structures and reporting, and much of the human resource is provided at low cost, or on a voluntary basis. This has been a form of trade-off where the informality of the TS is offset against the lower cost of service delivery by people who are well embedded in the communities where services are being consumed.

*"The voluntary sector in Scotland delivers a wide variety of services for public bodies. Contracts for these range in value from small ones, of less than £50,000 a year, to those in excess of £1 million ... The majority of these contracts are delivered at less than full cost, that is the value of the contract is judged not to cover the direct costs of service delivery and the related overhead costs (such as management and administration) that any organisation has to cover if it is to survive; Of the contracts identified, 71% were not explicitly based upon FCR. The estimated extent of underfunding of the survey respondents was £2.55 million, or 0.96% of their total income"*.

The Scottish Executive fully reviewed the situation, asking whether it would be better if the TS was funded on the same basis as commercial companies (with, of course, commensurate obligations to provide financial and performance reporting on a commercial basis), and this was reported in the 2007 document *"Full Cost Recovery in the Voluntary Sector Impact Assessment - Research Finding"*<sup>24</sup>.

Full cost recovery could allow TS organisations to build financial capacity, rather than relying on a grant-by-grant approach to funding. However, a crucial concern was where:

*"The public sector interviewees felt that the introduction of FCR would, over the longer term, be detrimental to the sector as voluntary providers would be displaced by private sector competitors and public bodies would cease to buy some services from the sector due to lack of funds"*.

Nevertheless, the approach now preferred is full economic funding with the emphasis being not on low cost but on impact and outcomes resulting from intermediary involvement. While theoretically it does not matter which sector delivers a policy intervention, the third sector is expected to offer better outcomes and thus should be a preferred partner.

The impacts are anticipated to come from the ability of the sectors to connect with, and provide opportunities for, individuals and communities with complex needs and for whom the public sector struggle to achieve transformational outcomes. This change in emphasis may require changing

<sup>23</sup> <http://www.scotland.gov.uk/Topics/People/15300/Actionplan>

<sup>24</sup> SCOTLAND. (2007c). *Full Cost Recovery in the Voluntary Sector Impact Assessment - Research Finding*. (February) Scottish Government, [cited May 7 2008]. <http://www.scotland.gov.uk/Publications/2007/02/15094201/0>

behaviours among the 45,000 stakeholders in third sector organisations, for example being more formally financially accountable.

To help develop this, in March 2008 the Scottish Government announced that they would enhance the effectiveness of TS partnerships in the *Enterprising Third Sector Action Plan 2008-2011* by helping “*the third sector become more enterprising and deliver more public services in 2008-11*”<sup>25</sup>. Importantly:

*“Building on the concordat with local government together with the work of Community Planning Partnerships ( CPPs) and Local Social Economy Partnerships ( LSEPs), we want to promote new relationships, especially around both the design and delivery of services. This will help ensure the delivery of services of the highest quality, which meet our national outcomes”.*

So there now is a focus on the TS acting, with other Actors, as full economic partners in service design and delivery, in a way that will help to achieve the national targets for social inclusion through the most effective implementation of actions at the local level. The TS partners will be supported and trained:

*“The Executive will explore with SUfl the maintenance of a portfolio of appropriate training and learning opportunities, using the existing database to ensure information is available on basic ICT training, to those who wish to take up the opportunity. ... Community Planning provides a framework for joint working at a local level and many of the policy areas which impact on inclusion are linked with Community Planning, for example, lifelong learning, community learning and development, community regeneration”*<sup>26</sup>.

#### Working with local actors to implement national policy goals

The partnership approach set in the context of national targets (the National Performance Framework<sup>27</sup> – see Annex A) and local action is to be achieved through the Single Outcome Agreements (SOA) and this process is detailed below.

The emerging focus on SOAs was accompanied by a consideration of the organisational structures within which the SOAs could be achieved, particularly given the complex governance required for partnerships such as that in the Highlands Council area:

*“The Agreement covers local authority services in Highland and includes at this time, those delivered by the following Community Planning Partners: NHS Highland; Highlands and Islands Enterprise (HIE); Northern Constabulary; Highlands and Islands Fire and Rescue Service (HIFRS); the Northern Community Justice Authority; Job Centre+; University of the Highlands and Islands (UHI); Skills Development Scotland (SDS); Scottish Natural Heritage (SNH); named voluntary sector organisations; named private sector organisations; and named partnership groups which include some of those organisations listed above and others”*<sup>28</sup>.

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<sup>25</sup> SCOTLAND. (2008d). *Enterprising Third Sector Action Plan 2008-2011*. (June 11) Scottish Government, [cited July 3 2008]. <http://www.scotland.gov.uk/Publications/2008/06/19085003/0>

<sup>26</sup> SCOTLAND. (2007a). *Digital Inclusion in Partnership*. (February) Scottish Government, [cited May 7 2008]. <http://www.scotland.gov.uk/Publications/2007/02/28141134/0>

<sup>27</sup> SCOTLAND. (2008b). *Concordat between the Scottish Government and local government*. (November 14) Scottish Government, [cited June 14 2008]. <http://www.scotland.gov.uk/Resource/Doc/923/0054147.pdf>

<sup>28</sup> HIGHLAND. (2008). *Single Outcome Agreement between Highland Council, in association with several Community Planning Partners, and the Scottish Government*. (June 26) Highland Council, [cited October 10 2008]. <http://www.highland.gov.uk/NR/rdoonlyres/E54BFEF5-777C-40D8-8597-80C42F5C8517/0/SingleOutcomeAgreement.pdf>

There is a policy of devolving power and responsibility (an important link is being made between the rights to receive a service, and the obligations that come when using it) to local levels. However, there is an associated risk that local areas are commissioning IT systems that are unable to “talk” to each other and hence, present a barrier to multi-agency working.

So, the emphasis is being put less on technical integration (although it has been noted above that the multiple-channel availability of services is accepted as being very important) and more on setting targets within ‘single outcome agreements<sup>29</sup>’ (SOA). SOAs provide a form of self-monitoring single budgets that are focused on evidence-based local outcomes, and at a local level the agreement (both national and local actors are signatories to the agreement) states how the local activity will contribute to 45 national outcome indicators/targets:

*“The Single Outcome Agreement will set out the outcomes which each Local Authority is seeking to achieve with its community planning partners. These will reflect local needs, circumstances and priorities, but should be related to the relevant national outcomes agreed in the Concordat. The Scottish Government has developed a set of 45 ‘national indicators’ to track progress towards outcomes, which include explicit targets. Local Government has been developing a ‘menu’ of local indicators that Councils can select from to monitor progress at a local level. Councils can also use locally developed indicators alongside the indicators in the menu<sup>30</sup>.”*

The SOA approach therefore provides a flexible linkage between national policy targets, and local realities.

The SOA process is therefore very much a ‘relationship’. This should overcome some of the challenges identified previously with the ‘New Futures Fund’, which was “*introduced to help resource a process for assisting people with more deeply embedded barriers to work along the road to engaging or re-engaging with the labour market*”. The final evaluation<sup>31</sup> noted how difficult it is to get a centralised project mainstreamed into locally funded delivery through top-down central control.

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<sup>29</sup> <http://www.improvementservice.org.uk/news/news-across-scotland/single-outcome-agreement---guidance-format-and-indicators-package-issued.html>

<sup>30</sup> COSLA. (2008). *Single Outcome Agreements: Guidance, Format & Indicators for Scottish Local Government* (February) Convention of Scottish Local Authorities [cited August 28 2008].

<sup>31</sup> [http://www.scottish-enterprise.com/publications/evaluation\\_of\\_the\\_new\\_futures\\_fund\\_initiative.pdf](http://www.scottish-enterprise.com/publications/evaluation_of_the_new_futures_fund_initiative.pdf)

## 7.0 IDENTIFY IMPACT AND VALUE

In 2008 the Scottish Government has been reviewing a previous 2004 initiative, called “Closing the Opportunity Gap (CtOG)”, which focused on objectives of overcoming poverty, generating sustainable employment, increasing the confidence and skills of disadvantaged children, reducing the financial vulnerability of low income families, increase the quality of health and quality of life, and overcome problems of rural isolation. There were ten performance based targets, and the review has noted:

*“Any targets in the future will be focused on making a real difference to people's lives using the outcomes-based approach we are developing with local government and their community planning partners, and through levers on income, education, health and employability etc that are available to us under the devolution settlement”<sup>32</sup>.*

The Scottish Government National Performance Framework, and Social Inclusion targets, set a clear outcomes context within which quantitative measurement of progress can be produced, and reported transparently:

*“The Government's Purpose and its associated targets; Five Strategic Objectives that describe where we will focus our actions; 15 National Outcomes that describe what the Government wants to achieve; 45 National Indicators that enable us to track progress; A summary of all Targets and Indicators is given in Performance at a Glance”<sup>33</sup>.*

Overall, the general policy picture for Scotland is that a balance is being sought between the central imperative of policy targets, and local realities. The partnership approach builds on local flexibility within a framework of national goals, while at the same time professionalising the third sector through levels of funding, support and training.

What these argue is that the third sector is important in the identification of problem spaces related to social inclusion, in the delivery of local delivery of services, and that the sector provides a flexible resource base for policy delivery.

The resulting value-chain focuses firmly on the primary benefits to the socially excluded people, and the resulting secondary (but still significant) benefits to society. Socially excluded people will become partners in a delivery chain that aims to personalise services to their needs, not to generic needs. Through a shared information environment data errors will be reduced. The services will be available faster, through multiple-channels, and can be mediated by the Third Sector which provides advice and support in a partnership with Government. And, national policy objectives can be delivered more robustly at local levels in ways that avoid local actors having to undertake regime compliance in meeting numerical targets set from above.

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<sup>32</sup> SCOTLAND. (2008a). *Closing the Opportunity Gap (CtOG)*. (September 9) Scottish Government, [cited October 22 2008]. <http://openscotland.gov.uk/Topics/People/Social-Inclusion/poverty/17415-1>

<sup>33</sup> SCOTLAND. (2008g). *Scotland Performs*. (June ) Scottish Government, [cited June 8 2008]. <http://www.scotland.gov.uk/About/scotPerforms>

## **ANNEX A – NATIONAL PERFORMANCE FRAMEWORK**

### NATIONAL PERFORMANCE FRAMEWORK

**Scottish Government's Purpose:** to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

#### **High Level Targets**

Indicator - Target

Economic Growth (GDP) - To raise the GDP growth rate to the UK level by 2011; To match the growth rate of small independent EU countries by 2017

Productivity - To rank in the top quartile for productivity amongst our key trading partners in the OECD by 2017

Participation - To maintain our position on labour market participation as the top performing country in the UK and to close the gap with the top five OECD economies by 2017

Population - To match average European ( EU15) population growth over the period from 2007 to 2017, supported by increased healthy life expectancy in Scotland over this period

Solidarity - To increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017

Cohesion - To narrow the gap in participation between Scotland's best and worst performing regions by 2017

Sustainability - To reduce emissions over the period to 2011; To reduce emissions by 80 per cent by 2050

#### **National Outcomes**

We live in a Scotland that is the most attractive place for doing business in Europe.

We realise our full economic potential with more and better employment opportunities for our people.

We are better educated, more skilled and more successful, renowned for our research and innovation.

Our young people are successful learners, confident individuals, effective contributors and responsible citizens.

Our children have the best start in life and are ready to succeed.

We live longer, healthier lives.

We have tackled the significant inequalities in Scottish society.

We have improved the life chances for children, young people and families at risk.

We live our lives safe from crime, disorder and danger.

We live in well-designed, sustainable places where we are able to access the amenities and services we need.

We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.

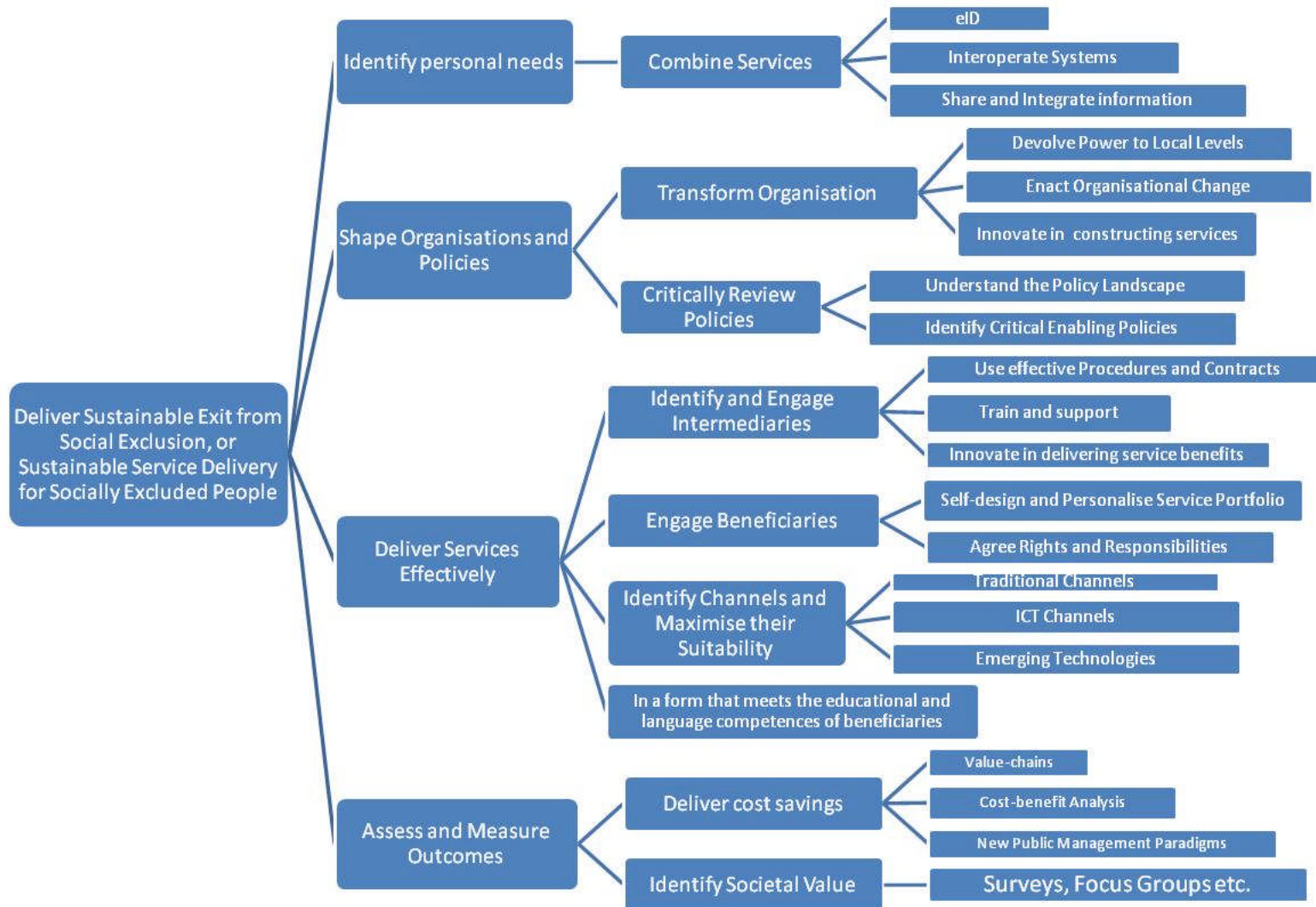
We value and enjoy our built and natural environment and protect it and enhance it for future generations.

We take pride in a strong, fair and inclusive national identity.

We reduce the local and global environmental impact of our consumption and production.

Our public services are high quality, continually improving, efficient and responsive to local people's needs.

## ANNEX B – THE FRAMEWORK OF FUNDAMENTAL PRINCIPLES



**ANNEX C – GENERAL BUSINESS MODEL FOR INCLUSIVE MULTI-CHANNEL SERVICES**

