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# THE LEADERSHIP AND MANAGEMENT OF PUBLIC SERVICES REFORM UNDER THE SNP IN SCOTLAND: MULTI-LEVEL CHALLENGES WITHIN A NETWORK GOVERNANCE CONTEXT

## **Abstract**

*This chapter provides an overview of key developments in public services reform since the SNP came to power in Scotland in 2007. Drawing on the public value leadership and network governance literature, the chapter argues that the combination of an outcomes-focused approach (pursued via the SNP government's National Performance Framework), a commitment to an 'empowerment agenda', together with the challenges of national 'policy distraction' towards constitutional matters have served to undermine attempts to engender national public value leadership within a network governance context. The chapter draws on interviews with public sector actors and a range of policy documents and academic commentaries. It concludes by identifying opportunities for establishing coordinated leadership structures and highlights the political, constitutional and public finance challenges that need to be addressed in this context. The article identifies key governance lessons for devolved polities based on the Scottish case.*

## **Introduction**

This chapter unpacks the challenges of public service reform in Scotland and examines the extent to which opportunities for engendering effective national public value leadership and management have been missed since 2007. In Scotland, network governance and multi-level stakeholder relations and interests characterise an increasingly complex landscape in the management of public service reform. Accused by some of being 'fuzzy' (Rhodes and Wanna, 2007; Williams and Shearer, 2011), public value has nonetheless become the centre of major academic debates, which have gravitated around the extent to which it is a distinctly new paradigm, superseding new public management (NPM) (Stoker, 2006). The strategies, processes and mechanisms for pursuing public value in a network governance context, from a national leadership perspective, are also inextricably linked to macro-political interests regarding 'how best' to reform the public sector in order for outcomes (or values) to be achieved. For Scotland, the approach to public value leadership has been to define public value through the language of 'national outcomes' which have been set out within a National Performance Framework (NPF). This is based upon implementing a localism-focused 'empowerment' model of political leadership whereby the NPF necessitates network governance actors operating at *meso*-levels (e.g. in partnership contexts via health authorities, police services, and local government) to be the

agents or catalysts of public value leadership and management – with integration efforts by these agents centring on creating public value in line with national outcomes.

This chapter highlights how a ‘hard’ empowerment-focused leadership approach by the Scottish Government led to missed opportunities for achieving public value leadership as a consequence of governance deficits between the *macro*-level (Scottish Government) and *meso*-levels, and the exacerbation of this by national policy distraction towards constitutional affairs (the Scottish ‘independence question’). We maintain that the empowerment approach to public service leadership has created crippling structural complexities which, taken together, have resulted in the impairment of public value leadership and management. We question the extent to which effective public value leadership and management is possible for public managers operating within such an environment (notwithstanding the challenges of austerity). The network governance literature highlights the dangers of poor network governance in terms of the risks of fuzzy accountabilities and blame-gaming, as well as increased transaction costs because of forced partnership-working (Hindmoor, 1998; Resodihardjo et al, 2015). Increasing localism, fragmentary policy systems, and structural reforms (including the acute impact of austerity) have also featured in public administration developments in England and Wales, yet what differentiates Scotland is the acute level of policy focus upon constitutional matters (specifically, as noted above, the ongoing focus on the case for Scottish independence) – leading to ‘policy distraction’ and, ultimately, adversely affecting network governance. Focusing on the period since the election of the SNP government in 2007, this chapter is informed by qualitative interviews with key public sector actors who have network management and leadership roles in local government and in public services in Scotland. Extrapolating from the Scottish case, we argue that there are lessons and implications for sub-national governance arrangements more generally.

### **Public Value Leadership and Network Governance**

Modern governance requires leaders of public service reform to be aware that strategic success depends on the nature of the governing context within which strategies are implemented. The

academic literature highlights the fact that network governance in the context of public service reform is associated with several strategies but these tend to be sculpted around *public value*, *network management*, and *outcomes-based* approaches (Moore, 1995; Alford and Hughes, 1998; Stoker, 2006; Williams and Shearer, 2011; Bryson et al., 2014; Hartley et al., 2015; Bryson et al., 2017). Such themes emphasise leadership approaches that can be described as participative, delegative and collaborative (Van Wart, 2017: 53-54) - with less emphasis being placed on directive or autocratic approaches. This is because network governance is synonymous with 'integration' on the basis that 'multiple actors with multiple interests create a common vision of, and work together to create, public value (i.e., the common good, or public interest)' (Morse, 2010: 235). Within the academic terrain of understanding reform within the context of a network governance environment, there is no shortage of concepts, which are often related to each other. In this respect it is prudent to note what we mean by the dominant terms that are important for contextualising the discussion in this chapter (see Table 1 below).

#### INSERT TABLE 1

The academic literature also considers public value *leadership* in the context of network management (for example, Moore, 1995; Stoker, 2006; Alford and Hughes, 2008; Williams and Shearer, 2011; Bryson et al, 2014; Hartley et al, 2015). Public value leadership is inextricably linked with public management, hence the use of the phrase 'public value leadership *and* management' – i.e. 'management matters' in leading public governance reform (Wright and Pandey, 2009, 86). Public value leadership and management are associated with, *inter alia*, empowering those organisations and agencies within the public sector to operate in an outcomes-focused way (Moore, 1995; Alford and Hughes, 1998; Stoker, 2006; Williams and Shearer, 2011; Bryson et al, 2014; Hartley et al, 2015; Bryson et al, 2017). As noted above, these phenomena have a tendency towards an approach to public value leadership that generally reflects participative, delegative and collaborative models of leadership (Van Wart, 2017, 53-54) - with less emphasis on strategic or directive models of leadership.

*Meso*-level public sector leaders in Scotland (those leading operating across partnerships) tend not to report that such an approach to leadership is negative *per se*. However, they do perceive the extant network governance environment in Scotland as requiring more *directional* modes of leadership in order to foster processes and styles of governance that elucidate what can be described as ‘bilateral transformative leadership’ (Grundstein-Amado, 1999). The Scottish Government has communicated its transformative leadership approach through empowering measures enshrined within a National Performance Framework, which is intended to provide ‘direction and ambition’ for Scotland (Scottish Government, 2018). Reform initiatives include delegated drivers for the renewal of localism in an effort to rejuvenate citizen-service deliberation and participation in the design of public services; the integration and cross-sector collaboration of public services towards increasingly joined-up public governance (including with the third sector); and the community empowerment agenda (enshrined in the 2015 Act) (Campbell, 2011; Christie, 2011; Collins and Donaldson, 2016). These initiatives focus on the integration of public services across partnerships and, simultaneously, localism, citizen engagement and the empowerment of local actors to take ownership of the delivery of outcomes. In short, this approach to public value leadership in Scotland has been based on an ‘empowerment-heavy’ approach within a network governance landscape. We can now examine how public service reform in Scotland has arrived at this point.

### **Public Services Reform in Scotland: Context, opportunities, and challenges**

Political representation in Scotland is centred on elections to the UK Parliament at Westminster, the Scottish Parliament at Holyrood in Edinburgh, the European Parliament, and the Scottish local authorities. Within the context of the policy spheres devolved to Scotland, governance is structured around a Parliament (normally elected every four years), from which the Scottish Government emerges in the form of the First Minister and the Cabinet Secretaries with specific policy portfolios (plus non-Cabinet level ministers). This political leadership is served by the largest element of the Scottish-based civil service (which remains part of the unified, British civil service – other civil servants working in Scotland are based in UK government departments e.g. the Department for Work

and Pensions), organized in Directorates and Executive Agencies. Non-civil service public servants of varying types manage an array of Scottish public bodies (including Scottish Enterprise and Scottish Water), the local authorities (32 unitary authorities, elected every five years), and the health service (NHS Scotland, structured around 14 regional NHS Boards, 7 Special NHS Boards and one public health body).

Since the advent of devolution political power has resided with Labour-Liberal Democrat coalitions (1999-2003; 2003-2007) and Scottish National Party administrations (2007-2011 and 2016- as a minority government; 2011-2016 as a majority government). Under the SNP, the post of First Minister was occupied in turn by Alex Salmond (from 2007) and Nicola Sturgeon (from 2014). The Scottish independence question became a major issue following the SNP election victory in 2007 and has continued to dominate Scottish politics since then. Apparently settled by a decisive ‘no’ vote in the 2014 referendum (the winning margin was 55.3 per cent to 44.7 per cent) the issue was reignited by the SNP, who secured all but three of the seats in Scotland at the May 2015 UK General Election. Subsequently, at the June 2016 referendum on Britain’s membership of the European Union (commonly known as the ‘Brexit’ referendum) the vote in Scotland was overwhelmingly in favour of ‘remain’ (62 per cent of Scottish voters opted to stay in the EU compared with the overall UK result of 48 per cent), and this was seized upon by the SNP as the rationale for a further referendum on Scotland’s future (‘indyref2’), although the latter has not been approved by the UK government. Increasingly fractious intergovernmental relationships have developed in this context, with tensions arising from the political dynamic of a nationalist/separatist government in Scotland and a unionist UK government at Westminster. This political and constitutional context is important for the argument we put forward here. In brief, the challenges associated with strategic public value leadership in Scotland have become more acute due to the policy distractions that the constitutional debate has produced.

Devolution in 1999 was accompanied by considerable rhetoric about the scope for a ‘new politics’ to emerge, and as part of this, for fresh approaches to be taken to the management and delivery of public

services (Hassan and Warhurst, 2000; Cairney and McGarvey, 2013). Given this rhetoric, the relatively small scale of the public policy and public service community in Scotland, and the arguably unnecessary degree of organisational complexity created by the existence of different leadership and staffing cadres and overlapping roles and responsibilities flowing from the structures summarized above, one might have expected rationalisation and modernisation to have been major priorities post-1999. Although specific initiatives emerged around inter-agency collaborations, joint service delivery, integrated public services, joined-up approaches and partnership working, the prevailing assumption was that the existing mosaic of public service bodies in Scotland was more or less ‘a given’. The exception to this was the distinctly problematic, poorly managed and hitherto unsuccessful move from a regionally-based structure to a centralized, single Police Service of Scotland in 2013) (Thomson et al, 2015). In this context, the task was to maximize the coordination of the work of these bodies (and link them with the private and not-for-profit sectors) in order to enhance service delivery.

In 2010, the Scottish Government established a commission of inquiry headed by Campbell Christie, the former General Secretary of the Scottish TUC, to make recommendations for the future delivery of public services in a time of financial constraint, and this body produced its report in June 2011 (see Christie, 2001; Campbell, 2011). Although broadly welcomed by the Scottish Government, public sector and voluntary sector organisations, the report was criticised by academic and media commentators for its relative vagueness in terms of specific recommendations on the detail of a proposed reform programmes (Campbell, 2011: 3) Christie called for political leadership to take the principles and recommendations of the report forward via a programme of reform. In summary, Christie:

- ***Critiqued*** the extant arrangement of Scottish public services as fragmented, lacking responsiveness to individuals and communities, lacking accountability, focused on the short-term and averse to joint-working.
- ***Established*** a set of reform objectives which would see public services built around people and communities, working together to achieve outcomes, prioritising prevention and

reduction of inequalities, and pursuing ongoing performance improvements and cost reductions in a spirit of openness, transparency and accountability.

- ***Made a series of recommendations***, including: the introduction of inter-agency training to reduce ‘silo mentalities’, drive service integration and build a common public service ethos; standardise commissioning and procurement; enable community participation in service design and delivery; and establish new duties and powers for public services focused on improving outcomes via preventative actions and tackling inequalities.

The Scottish Government’s formal response to this proposed a reform agenda framed around the key principles and themes of ‘prevention’; ‘partnership’; ‘workforce development’; and ‘performance’ (Scottish Government, 2011). ‘Public service reform’ became based upon the Scottish Government’s core agendas relating to ‘Efficiency and Transformational Government’, ‘Community Planning’ and ‘External Scrutiny’. The Public Services Reform (Scotland) Act of 2010, despite its title, was less strategic than one might have expected, but instead set out a range of detailed changes across specific public service areas. Within these approaches were located matters of important detail including the outcomes agreements with public service providers, efficiency savings targets, and the greater use of shared services (in response to one of the recommendations of the Christie Report). By 2017, the key policy instruments driving the public services reform agenda in Scotland were the National Performance Framework, the Community Empowerment (Scotland) Act, and the integration agenda for health and social care via the Public Bodies (Joint Working) (Scotland) Act. The NPF, introduced in 2007 as an element of the spending review, was initially a 10-year vision (drawing on an outcomes-based performance model used in the state of Virginia). Refreshed in 2011 (see Campbell, 2012), in 2016 (Scottish Government, 2016), and in 2018 following a process of review, public consultation and revision (Scottish Government 2018) it is ‘a single framework to which all public services in Scotland are aligned’.

The framework comprised a series of ‘High Level Targets’ (Growth, Productivity, Participation, Population, Solidarity, Cohesion, Sustainability’), five ‘Strategic Objectives’ (‘Wealthier & Fairer’

Smarter; Healthier; Safer & Stronger; Greener’), all of which were aligned with ‘National Outcomes’<sup>1</sup> which were, in turn, linked to National Indicators<sup>2</sup> to enable tracking of progress:

The National Performance Framework provides a strategic direction for policy making in the public sector, and provides a clear direction to move to outcomes-based policy making. This outcomes-based approach is reflected across Government policy and in strategic policy documents.

(Scottish Government, 2016)

The NPF was explicitly linked to the spirit and content of the Christie Report, and stressed that ‘the reform journey is a partnership with local government and the third sector that helps ensure our public services are sustainable, meet the needs of citizens and improve the lives of Scotland’s people’ (Scottish Government, 2018).

Community empowerment legislation and the integration of health and social care were two major policy initiatives within the outcomes-focused approach highlighted in the NPF. First, the Community Empowerment (Scotland) Act 2015 refers to the NPF by placing a duty on the Scottish Ministers to ‘consult on, develop and publish a set of national outcomes for Scotland’ and gives ‘local communities a right to challenge local public service delivery if it is not meeting their needs’. It also legally constitutes community planning structures, with the effect of requiring services to be planned, delivered and monitored across partnerships (including the health service, local authorities, the police services, community groups, and the third sector). It was this duty, stemming from the 2015 Act, which drove the review of the NPF resulting in the revised 2018 version. Second, the Public Bodies (Joint Working) (Scotland) Act 2014 is the legislative framework for the integration of health and social care. This created new public organisations (‘Integration Authorities’) aimed to break down barriers to joint working between NHS Boards and local authorities, and sought to produce budget efficiencies of £138-£157 million. For each area, the NHS and local authorities were required to submit jointly an integration scheme setting out which functions would be delegated to the new Integration Authorities (see Burgess 2016). Collectively, these policy instruments enshrine an approach which eschews grappling with the bigger, strategic issues around public service leadership

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<sup>1</sup> Originally 16, scaled down to 11 in 2018: the original set featured ‘our public services are high quality, continually improving, efficient and responsive to local people’s needs’.

<sup>2</sup> Originally 55, increased to 81 in 2018.

and structures, in favour of centrally devised policy drivers which in turn exacerbate the complexities of network governance by engendering a ‘micro’ approach to Scottish Government interventions at local levels. Before setting out this argument, however, we examine the saliency of public value leadership within network governance as an analytical lens in the context of Scotland’s public services reform agendas.

### **Delivering Effective Public Value Leadership in a Complex Network: Contemporary challenges in Scotland?**

Assessing the effectiveness of networks as the mechanism for achieving public sector reform involves trying to make sense of network governance in terms of ‘successes’ and ‘failures’. Marsh and McConnell (2010) and McConnell (2011; 2015) have advanced our understanding of policy success in the context of a complex policy landscape and Howlett (2012) does the same when it comes to policy failure. Understanding successes and failures in network governance in its entirety, which relies on multiple and varied relationships that range from being strong, moderate and loose in responses to changing contexts in which there are shifting power dependences is the academic equivalent to trying to eat an ice-cream cone on roller coaster. Indeed, studies that seek to establish success and failure (and areas in-between) in the context of network governance need to ring-fence an aspect or level(s) of governance in order to take account of political, economic, and social drivers affecting the architecture of complexities within a systems-based environment. From this perspective, understanding the experiences of those operating at the partnership/*meso*-level in Scotland is important because *the policy strategy* of the Scottish Government relies on network actors operating across boundaries and partnerships to be the instruments for achieving success. This section of the chapter is therefore supplemented by interview data with network actors who have such leadership roles within public service networks (e.g. territorial Health Boards or in local government) in policy sectors which are intended by national agencies to be ‘boundary spanning’ (Williams, 2002)<sup>3</sup>. Howlett

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<sup>3</sup> The 8 interviewees (purposively sampled) all work within cross-sectorial areas and have key roles in, and lead, partnerships. In this respect, although employed by or hosted within the NHS or Local Authority, they have key roles in shaping cross-organisational strategies on public sector reform in the context of the post-Christie Commission and health and social care agenda. The interviewees are denoted by interviewee A-E.

(2012; 543-545) notes that the ways to capture policy success and failure can be considered in terms of *Extent*, *Duration*, *Visibility*, *Avoidability*, *Intensity*, and *Intentionality*.

- ***Extent***: The aspects and level of successes and failures i.e. which dimensions have failed or been a success more over others at policy, political and programme levels.
- ***Duration***: Whether failures incremental, accumulated or sudden events, with successes being about minimising the space for failures to manifest.
- ***Visibility***: The extent of ‘publicness’ of the failures and level of public scrutiny/awareness. Successes are often ‘non-events’ and noteworthy for their lack of controversy e.g. achieving what was set out to be achieved.
- ***Avoidability***: The extent to which failures could have been anticipated, predicted, planned for and mitigated against. Success is when failures are avoided.
- ***Intensity***: The level of agreement between actors within networks about the degree of success and failure i.e. the aggregate level of inter-community/network consensus on the extent of success and failure and the implications for subsequent processes and decision-making.
- ***Intentionality***: Failures can emerge from the politics of intended or unintended self-defeating behaviours of actors due to efforts to re-frame issues/problems driven by, for example, ideological preoccupations. Success, at a political level, is marked by the lack of propensity for re-framing policy strategies due to shared agendas, commitments, norms and values.

In terms of ***Extent*** there is evidence to suggest that although there is evidence that at a political level that the Scottish Government’s approach to promoting outcomes itself, through the National Performance Framework, has provided a vision for public governance that has not been met with a significant degree of macro-political contestation between political parties. However, the limitations of public value and management can be grouped around a sustained failure to address confused accountability structures, and structural dysfunctionalities under the auspices of localism in the context of austere times. This has had implications for both the management of processes and programmes. For example, an interviewee, who is responsible for managing across partnerships,

recognises the opportunities for national leadership in helping to ‘cut through’ the complexities and to build consensus amongst partnerships regarding how best to address national-level priorities (e.g. the outcomes with the NPF). At the same time, the interviewee confirmed that the context of public sector reform has led to a complex network landscape which is challenging to navigate - meaning that it is difficult to know ‘who is the leader’ when it comes to owning programmes of work. A senior partnership manager in Inverclyde Council noted that ‘it’s just quite a messy picture out there in terms of who’s doing what, where and how do you feed in’ (Interview C, 2017). A policy lead in NHS Ayrshire and Arran was asked about opportunities with regards to navigating through network complexity and noted that ‘I don’t know that any of us are actually managing to navigate our way through it’ (Interview D, 2017). Another interviewee, with reference to health and social care integration, considered that despite the language of ‘reform’ and ‘transformation’ at national leadership levels, in practice, incrementalism tends to be the norm but within an element of inertia:

There are thousands of public sector staff who could be working in different ways and understanding the evidence behind why they might want to do that, but capacity is a huge issue ... That’s difficult, but you can’t do everything all at once so *you have to eat an elephant in bite size chunks*, I guess. ... But that does feel huge. (Interview E, 2017, emphasis added)

A policy lead in NHS Borders highlights the complexities, multiple processes and, importantly the lack of coherence in the multi-actor context:

...it’s a mass of different processes that we’re using...We’ve got community planning on the one hand and health and social care on the other, trying to do some things around locality planning in parallel and [there is] a lot of anxiety at the moment about ‘are we being consistent?’ ‘Are we just confusing everybody, particularly the public and local communities?’ ‘And how do we bring that into some kind of coherence?’. (Interview B, 2017)

This point about coherence, or lack thereof, would have been helped by national leadership to exploit the opportunities that a devolved policy environment brings. That is, to refashion Scotland’s public services around a genuinely inclusive and integrated model which could have moulded Scottish governance within an approach common in many European states, where the ‘civil service’ typically encompasses officials at central, federal and local levels (Bekke and van der Meer, 2000). The aforementioned Christie Report, despite calling for more integration and partnership working in the

public sector, failed to take a strategic approach to the issue of leadership. The result of this is that leadership cadres across the civil service, local government, the health and social services, and the other arms of the public service, have remained distinct and disaggregated. One of the vital prerequisites for an effective public value leadership strategy is a coordinated approach to recruitment, organisational culture and career development, and these have remained silo-based and a driver for this is crippling complexities resulting from a lack of directive leadership strategies to public sector reform and, moreover, the prevalence of austerity.

Second, *Duration* brings with it the question of whether failures have been temporal or more long-standing. The evidence from those operating within and across partnerships suggests that austerity, prompted by the Scottish Government in response to UK-level cuts in public expenditure following the financial crisis post-2010, have been exacerbated by the impact of austerity but it is not the cause. This has been evident in terms of the health and social care agenda and working within Community Planning Partnerships to address multi-faceted societal issues (e.g. mental health and wellbeing) in a time of austerity or, as a policy lead in NHS put it, ‘at a period when the public sector is contracting’ (Interview A, 2017). More broadly, there are fundamental questions about the level of sustained political leadership behind addressing acute problems in educational attainment and health inequalities i.e. demonstrating the ‘public value’ resulting from the NPF. In health policy, for example, the performance of the NHS in Scotland against key indicators revealed significant failings, with waiting time targets for diagnostic tests, A&E patients, outpatient appointments, and commencement of treatment for acute conditions, all being missed on an on-going basis (BBC, 2017; BBC, 2018).

Similarly, in the sphere of education, teacher shortages in key subjects, a lack of progress on closing the attainment gap between pupils from relatively affluent and relatively deprived areas, coupled with poor comparative performance, prompted calls for systemic reform which were accepted by John Swinney, the Deputy First Minister, whose portfolio changed to include education policy. The revelation in December 2016 that Scottish schools had dropped down the world rankings (the

Programme for International Student Assessment - Pisa) and were performing less well even than the schools in other parts of the UK (BBC, 2016) led Swinney to acknowledge that the results ‘do not make comfortable reading’ (Swinney, 2016). Beyond these specific policy areas, the outcomes from the NPF revealed significant challenges for the Scottish Government, with only 11% of the National Indicators showing performance improving, albeit in the context of a substantial element (38%) of missing data or data to be confirmed (Scottish Government, 2018).

The policy challenges of health and education in Scotland have been subject to a high degree of *Visibility* in that there is increasing political awareness amongst the public regarding the impacts on core service areas including education and health and that these have been significant problems for the SNP government. This visibility has increased due to the fact that a senior SNP politician, John Swinney, was given the Education brief shortly followed by further pressure being put on Nicola Sturgeon in April 2018 to sack her former Health Secretary, Shona Robinson, due to a number of acute criticisms regarding GP recruitment, waiting times for ambulances, and the endemic maladministration at NHS Tayside (which used charitable endowment funds to pay for backroom support functions, instead of frontline patient care) (McNab, 2018). Audit Scotland also reported that both NHS Highland and NHS Ayrshire and Arran face major financial performance challenges which require the government to implement recovery plans (Audit Scotland, 2018a; 2018b) – in other words the national agency called for more directive leadership from the Scottish Government. The day after the Audit Scotland reports were published it was reported that Jim Sillars, a former deputy leader of the party, had accused the First Minister of avoiding tackling the problems in housing, education, health and the economy and was reported as saying that ‘the leadership does not think philosophically’ (quoted in Deerin, 2018).

On this point of *Avoidability* it is fair to say that austerity was not avoidable for the SNP government. However, the creation of a Scottish public service, although placing additional strains on local actors, might have formed a reasonable element of a broad counter-austerity strategic response. . Undoubtedly, the creation of a Scottish public service would have required the successful negotiation

of a series of legislative and organisational obstacles. Two broad strategic issues required consideration. The first concerned the impact on the unified civil service. However, as the devolution process developed, the elements of the civil service in Scotland and in Wales had become accustomed to operating within their own distinct cultures and behaviours, while adhering to the common principles that govern the unified civil service (see, for example, Burnham and Pyper, 2008; Parry, 2010 and 2016; Rhodes et al, 2003), so accommodation of a further organisational and operational shift in Scotland would not necessarily have been an insurmountable obstacle, and the idea of a single Welsh public service (see Prosser, 2003) had been floated by Rhodri Morgan during his period as First Minister of Wales (2000-2009). The second set of issues concerns the most suitable relationship between the civil service and other public services within a 'public services' model. On one occasion when this issue arose for consideration, the Cabinet Office (2005) disparaged the idea of 'creating one large and unwieldy organisation to design and deliver all public services'. The head of the civil service in Scotland at that point, Sir John Elvidge, argued strongly against any attempt to bring public sector staff within 'a single employment structure' (Scottish Parliament Finance Committee, 2005; see also Chapter 20). These establishment views were mirrored in the entrenched defences of local authority 'autonomy' by those who feared the impact of a combined public services approach on the career structures and established cultures of the councils. However, change of this type, if properly managed, could have helped secure joined-up government, integration across a range of service areas, efficiency gains and the freeing-up of resources for front-line services, rational policy-making, one-stop shops for the users of public services, clarified lines of accountability, and opportunities to address perceived gaps in leadership or other specialized skills. Supporters of this model would argue that it would not have required fundamental reform of local government and need not have had an adverse effect on the principle of local democracy. Admittedly, the unwillingness of the leadership of the civil service in Scotland to countenance any move away from the concept of the unified British civil service was a factor (see, for example, the opposition of Elvidge in 2005) but the *de facto* (if not yet *de jure*) federalisation of the civil service across the UK, created an environment in which such a change could have been accommodated. In the Scottish context, Parry (2016: 126-30) sets out evidence of increasing civil service distinctiveness and 'tartanisation'.

A move towards a combined public service model might have been taken forward (and, arguably, could still be progressed) via two possible routes, whose concomitant organisational and structural changes would engender a more directive, strategic approach to the challenge of public service leadership. A radical, ‘big bang’ reform agenda, implying a swift move involving extensive legislative change with only the basic required consultation and experimentation, would be out of sync with devolution’s inherent commitment to engender an inclusive, cross-party culture and ethos. The pragmatic, incremental approach would involve establishing key building blocks for reform, developing practices and processes from extant pilot schemes and moving from these to create selected experiments with public service integration, spanning, *inter alia*, local government, the health service and the civil service. The challenge with an incremental model approach, which features in the sub-texts of the Christie Report, and is illustrated by Parry (2016: 135-37), is that it fails to address the challenge of engendering a strategic approach to public value leadership. If the ‘shared services’, ‘integrated public services’ agendas and their associated offshoots are isolated from clearly enunciated commitments to broader strategic reform, they can simply spawn a plethora of units and cross-cutting task forces and, ultimately, add to the problem of initiative overload. This risks negating the required transparency, accountability and improved service delivery at an operational level, let alone providing strategic coherence in the leadership context. However, there has been no appetite for the challenge of a holistic, strategic overhaul of the public services landscape, and, as has been made clear repeatedly by leading figures in these administrations, the focus of the post-2007 governments in Scotland has been primarily on the independence question.

At a systemic level, Howlett (2012) cautions analysts of public policy and administration who seek to make judgements about successes and failures of governmental approaches to take into account the perspectives those actors within the policy system actually responsible for coordinating and implementing reform. The *Intensity* of policy failures are, therefore, about the levels agreement between actors within networks about the degree of failure i.e. the aggregate level of inter-community/network consensus on the extent of failure and the likely associated affects/outcomes. There was a consensus between our interviewees in the Scottish public sector that key failures have

been with regards to capacity building, the fragmentary approach to policy direction on public service reform and a confused approach Scottish Government expectations regarding evidencing public value. This does not mean that localism is not welcomed by network actors but the absence of national strategic leadership has left a directional vacuum between the *macro*- and *meso*-levels. An integration partnership manager refers to the lack of support from national agencies:

... Some of the things that I'm grappling with is trying to make [mental health planning] relevant across a community planning partnership and a strategic framework...and what would be the national indicators that would show collectively that we're making a difference, and how can we be confident. Whilst we can bang the drum about who's most at risk, can we be confident in saying well actually what you're proposing there will plausibly do that. (Interview E, 2017)

An interviewee also noted how the Community Empowerment Act (2015) only served to highlight the lack of synchronicity between national strategic level expectations by government and local capacity for demonstrating outcomes:

Every single community planning manager will tell you that measuring the impact of outcomes is important (*sigh*)...I mean, have you achieved those outcomes? What's the impact you've had on your communities? ... The Community Empowerment Act, when that first came out, everybody was like, 'what'? There was just a lack of national support to deliver it. You're talking about empowering community organisations to do things and build assets. And they need to demonstrate how they are actually making a difference. And you think, 'well how would they possibly be able to do that'. (Interview C, 2017)

Academic analysis of the Community Empowerment Act's local implementation indicates that it has suffered from the lack of an overarching strategy and from the persistence of both 'structural and social barriers to meaningful community empowerment' (Elliott et al, 2018).

Overall, therefore, it is clear that network governance deficits in public value leadership stem in part from the failure to move beyond providing a vision about the end objectives and outcomes for networks, to additionally identifying the means by which these can be achieved at a methodological level through focused and strategic leadership. This confusion at a national level has led to uncertainty within networks when identifying the *best type of evidence* to demonstrate public value against nationally-defined outcomes. Capacity issues regarding the best methods for demonstrating public value were persistent themes across the interviews with network managers in the public sector. This is

a daily battle in the sense that policy actors are ‘overloaded’ with a multitude of local planning initiatives which makes it difficult ‘to see the wood from the trees’ and, inevitably, produces work based on short-termism rather than longer-term outcomes (Interview H 2017) – quite contrary to the narrative of the NPF as the strategic framework for public service reform in Scotland.

Finally, *Intentionality* refers to the outcome of intended or unintended behaviours that essentially reframes policy priorities. This can be based on distractions towards other aspects of the political agenda or being preoccupied with ideological concerns. Overall, the Scottish Government’s mixed performance across a number of key policy spheres has been shaped by a self-acknowledged policy distraction towards constitutional matters (Sturgeon, 2016). This has become more acute following the 2016 referendum on Britain’s membership of the EU, which prompted the SNP to make a commitment to hold a second referendum on Scottish independence, contingent upon the impact of the UK Government’s Brexit deal on Scotland. The First Minister has argued that the independence issue ‘ultimately transcends the issues of Brexit, of oil, of national wealth and balance sheets and of passing political fads and trends’ (Sturgeon, 2016). One consequence of this has been that the option of carving out a distinctive Scottish approach to the management and delivery of public services has been de-prioritised. The broader macro-political agenda is important to consider since, as Provan and Kenis’s (2007: 20) argue, studies of network governance should seek to understand the interaction between governance interactions and operational interactions. In Scotland, there are clear links between ideological prioritisation and the outcomes of the opportunity costs that result in terms of performance deficiencies in national public value leadership, which relate directly to the effectiveness of public service reform.

## **Conclusion**

Although this chapter has identified a number of performance gaps regarding national leadership, it has also highlighted opportunities for improvement. In practical terms, addressing the *meaning* and operationalisation of integration, and support for measuring it, would be a positive step forward (and

this was a consistent theme raised by network managers in the public sector). Otherwise, national-level narratives on integration will not align with the organisational cultures of those that are ‘empowered’ to deliver on outcomes. These findings echo a recent analysis of the meshing of traditional policy and governance hierarchies with complex networks that stresses the importance of leadership:

(Network leaders) cannot escape the need for at least some hierarchy and the power of command, just as hierarchical leaders will have to master network skills. The most effective leaders will be able to determine and clarify goals for whatever group they are leading, and mobilize the group’s energies to achieve them, whether that group is a hierarchy, a network, or, most likely, some of both. (Slaughter, 2017: 201)

Slaughter is influenced by Keohane’s approach to leadership, which emphasizes the need for clear direction in the interest of achieving collective goals (Keohane 2010: 23). The testimony of policy actors above indicates that, in the Scottish context, the plethora of cross-cutting initiatives, and performance indicators, imposed across an unnecessarily complex landscape of governance and policy, speaks to a paucity of this type of clear direction and strategic leadership for public value.

It is only fair to emphasize that Scotland is not the only example of a devolved governance context which appears to have mishandled the opportunity to carve out a fresh, distinctive and manageable approach to its public service policy and delivery challenges, deploying astute public value leadership. Within the other UK devolved polities too, where there were the most obvious opportunities for holistic, corporate approaches to be taken to the issue of public service reform, the impression is of degrees of disaggregation in the reform agendas, with limited evidence of genuine ‘joined-up’ thinking and strategies. In the UK, perhaps the closest we have come to this was the post-2002 Review of Public Administration in Northern Ireland (see Office of the First Minister and Deputy First Minister 2013; Knox and Carmichael, 2005). Even this was partial, however, as although it spanned most of the public services, including health, local government, social welfare and school education, it excluded the Northern Ireland Civil Service and the executive agencies. In Wales, as in Scotland, there have been some debates on this question of a more holistic, strategic approach to public services reform over the period since 1999, but, despite the rhetoric about central steering, a fairly dispersed approach to the public services reform agenda was the norm. The Programme for

Government section of 'Public Services in Wales' made commitments to 'continuous improvement' 'funding supporting stronger and more effective service delivery' and 'effective collaboration between public services' (Welsh Government, 2017). The Public Service Leadership Group was chaired at Ministerial level, but the directorates' structure dispersed themes, as in Scotland. In 2013, a seven-person Commission on Public Service Governance and Delivery was charged with oversight of progress and reported in January 2014 (Welsh Government, 2014), setting out a series of recommendations relating to: scale and complexity; governance, scrutiny and delivery; leadership, culture and values; and performance and performance management. The report stressed that structural changes were 'necessary and indeed urgent', and to be successful these needed to be combined with wider changes to governance, scrutiny, accountability, leadership, culture, values, and performance management. In Northern Ireland there was the most obvious attempt to provide cohesive strategic coordination of public service reform. Although the formal description is 'Civil Service Reform in Northern Ireland', the reform agenda here spanned the broader public services e.g. 'A major programme of reform is now underway across all departments in the Northern Ireland Civil Service ...(this) includes everything from making significant savings in procurement to improving a range of corporate services' (Northern Ireland Executive, 2017). The reform agenda was located within the Office of the First Minister and Deputy First Minister, with the Head of the Civil Service leading the change process across the eleven NICS Departments.

These varied organisational arrangements have driven some common reform themes across the component parts of the UK. Beyond the need to secure efficiencies and economies in the context of the austerity regime, these themes include increased emphasis on collaborative and partnership arrangements across services, greater cross-agency working with third sector bodies, performance and efficiency strategies via outcome agreements of one kind or another, and increased service-user focus. In Wales, there is perhaps greater emphasis than elsewhere on the geographical dispersal of reform processes. Overall, however, the impression is of an atomized, disaggregated approach to the management of public service reform, within these devolved polities where there would seem to be the most obvious opportunities for more holistic, coordinated arrangements. Opportunities for policy

learning and transfer have not been fully exploited, in part due to the different political complexions of the leaderships in the devolved polities (see Paun et al, 2016), and the coordinating role which might have been fulfilled to some degree by the UK government has been negated by a combination of sensitivity towards the autonomies which flow from devolution and, latterly, the clear political differences between the parties in power in London and the other elements of the UK polity.

While recognising the similar ‘lost opportunities’ across the other devolved polities in the UK, key points can be captured from this research, for Scotland. First, it is important to note that in the context of public service reform and public value leadership, small can be beautiful - close-knit policy communities create opportunities. However, this does not mean that the overarching strategic role of national leadership is not needed, even for relatively tight policy environments. With this in mind, devolved governance contexts should seize the opportunities available to them to contextualize their approach within a broader constitutional and political/governance framework, and ensure that they effectively deploy all of the powers at their disposal. Second, an open approach to lesson-learning and policy transfer is helpful - even if seeking to learn and transfer from entities with different political leaderships. Being precious about national/regional policy ‘culture’ is not helpful. Third, structural reforms in isolation from a broader strategic approach will not solve problems of policy or service delivery, but ignoring the opportunities for structural change, and opposing such change ‘in principle’ or due to political factors, will severely limit the prospects for successful change and the engendering of strategic and focused leadership for public value in an excessively complex policy and governance network. Fourth, it is important to be aware of, and address, the challenges flowing from the political and organisational vested interests in the status quo – this downside of close-knit policy communities can lead to a form of ‘groupthink’ which eschews solutions and approaches (for example, structural changes) which do not align with these interests. Finally, policy distraction based on an incessant focus on longer-term political and constitutional goals can and will limit the time, policy commitment, and value-based leadership for other key priorities such as enhanced service delivery. In sum, our research points to the need for further dialogue within the public value and public administration literatures on the impact of leadership approaches to public sector reform efforts within network

governance contexts, particularly when such activities take place within an empowerment-focused environment.

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