



Crawford Beveridge CBE  
Chair of the Independent Budget Review  
c/o Robin Benn  
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Dear Mr Beveridge

### **THE INDEPENDENT BUDGET REVIEW: INITIAL CALL FOR CONTRIBUTIONS**

Consumer Focus Scotland welcomes the opportunity to respond to the *Independent Budget Review: Initial Call for Contributions*. The current economic and financial climate will have a significant impact on the way public services are delivered for all consumers, across all sectors of society in the coming years. At the same time as budgets are tightening, consumer demand for public services is likely to increase. The Independent Budget Review plays an important role in ensuring that the debate surrounding the impact of the recession on public services is informed by a wide range of service providers and stakeholders and that priorities are clearly articulated and presented in an open and transparent way.

As a consumer organisation, we work across public services and private markets to ensure that they are meeting the needs of consumers. We have a particular interest in ensuring consumers are at the heart of public services and we have a commitment to work on behalf of vulnerable consumers. In order to achieve a consistent approach to thinking about the needs of consumers across different markets Consumer Focus Scotland uses a set of standard consumer principles to highlight consumers' interests and identify where and why consumer detriment might occur. These include:

- Access – can people get the goods and services they need or want?
- Choice – is there any?
- Safety – are the goods or services dangerous to health or welfare?
- Information – is it available, accurate and useful? Is it succinct and clear enough to enable the consumer to understand it and use it to make effective choices?
- Fairness – are some or all consumers unfairly discriminated against?
- Representation – do consumers have a say in how goods and services are provided?
- Redress – if things go wrong, is there a system for putting them right?
- Education – are consumers aware of basic consumer rights and responsibilities and how to act on these?

Our work is independent, evidence-based and rooted in research with consumers, putting us in a different category to many of the organisations that will have an interest in the Independent Budget Review. However, we believe that our approach and views are highly relevant to the work of the Independent Budget Review Panel.

As we do not directly provide public services, we have not attempted to respond to the key questions set out in the *Initial Call for Contributions*. However, we would like to take this opportunity to make general observations on the remit and scope of the Review Panel.

**(ii) the importance of efficiency and value for money in spending programmes and the contribution that local government, other agencies and the third sector make to the effective delivery of outcomes and services**

Consumers, as well as service providers, should be able to access reliable and independent information on the costs of public services. For consumers to have trust in the decisions made by public service providers they must be assured that these are made on the basis of accurate information. Our work on school closures showed that this is not always the case. Parents told us that they had struggled to access information on the costs associated with the proposals and that when they did, these costs were not always thought to be accurate.

We are concerned that not only is this information not in the public domain, but that in many of our public services, information about cost is simply not available. Our view is that the performance management systems in many public services are inadequate. For example, the information on unit costs of providing similar services are often not available. Without such information it is difficult to answer the question of whether we are getting real value for money out of the current, and very high, levels of expenditure on public services in Scotland.

Where information is available, it points to large variations in the costs of common 'back office' services; for example in relation to the cost of collecting council tax. We can see no good reason for this and this suggests that consumers are paying more than they need to, either in direct charges or indirectly through taxation. We therefore see real opportunities for systems to be simplified and standardised to bring about real benefits for consumers. We would welcome the opportunity to work with stakeholders to identify 'win-win' solutions where simplification and standardisation for consumers also leads to efficiency savings.

However, we would like to raise a specific concern about the risks involved in any further reductions in regulatory services, such as trading standards, licensing and environmental health. These local services protect consumers and help to make sure that goods and services are safe, one of the consumer principles described above.

Regulatory services are not regarded as frontline services, yet they provide a critical and important safety net for consumers. Their importance is powerfully underlined by the e-coli outbreak some years ago in Lanarkshire and the more recent outbreak in Wales. The work of trading standards officers, who protect consumers from rogue traders and scams, is also vitally important.

It is our view, and the evidence gathered by our Trading Standards Review Group supports this, that there is a postcode lottery in terms of resourcing local regulatory services. As a consumer organisation we are concerned that this does not best serve the consumer interest. The key principle of the Concordat is the maximum discretion given to Scotland's Councils to decide the structure and content of services, but we are concerned that regulatory services should not be subject to a postcode lottery. The level of protection that is offered to consumers should be consistent, regardless of which local authority area they happen to live in.

**iv) The importance of protecting and supporting the most vulnerable in society**

There is a real danger that in the debate around reductions to services, the service users (and providers) who shout loudest will be protected while those who are less articulate or who provide services to a small number of the most vulnerable in society will suffer. It is essential that the Independent Budget Review Panel consider whether the evidence submitted to them includes the views of the most vulnerable in society, or those advocating on their behalf. If it does not, we would urge the Panel to consider how best to gather that evidence.

**v) The importance of designing public services around the needs of the citizens who use them**

We share the aim of the Independent Budget Review Panel that public services be designed around those who use them. We continue to support developments such as Best Value 2, the Patients' Rights Bill and the user focus duty on scrutiny bodies contained within the Public Services Reform (Scotland) Bill.

Across the UK research has shown a decline in the level of trust that citizens place in government. There is an obvious danger in the recession that trust between consumers and their local service providers will be fractured not least because the requirement to balance budgets is overwhelming and the speed of decision making and level of change required may act to exclude engagement with consumers.

Consumer Focus Scotland believes that real engagement with consumers and citizens is required to ensure that the relationship between public services and those that use them is not damaged further. Consumers should be involved in decisions about the kind of public services they require and the shape of them that they want to see at the end of the recession. We see a real danger of that public services will be retrenched but not reformed over the coming years. In the struggle to do more with less, there are opportunities as well as threats and we would like to see more debate about how to develop a co-production model of public services, for example through personalised care budgets. Consumer Focus Scotland believes that changing the role of consumers from passive recipients to active partners is one of the most sustainable ways of improving outcomes for consumers.

We believe that the *principle* of consumer engagement is accepted across Scottish public services, but in our experience practice is mixed, with pockets of good practice and areas of concern. We believe that increasing opportunities to identify and share best practice on consumer engagement would improve practice. To this end, we are embarking on a national project inviting nominations of best practice from councils, police and fire authorities, health boards and Community Planning Partnerships. These nominations will be reviewed by a panel of experts, and they will be judged against criteria that include:

- The way consumers were involved was appropriate and accessible
- A range of consumers were involved
- The involvement of consumers made a difference
- Consumers were told what happened next
- The process was evaluated to improve practice.

The project will be launched this month and will report in autumn 2010.

We would also like to draw attention to potential limitations in defining 'user' only as the direct user of public services. The impacts of service change will be experienced by a wider group than current service users and we recommend that the public sector uses a wide definition that incorporates:

- indirect service users (such as parents or carers);
- potential service users (for example, those who are eligible to use a service but currently do not access it) and
- future service users (for example, those who are likely to use services in the future).

This would mirror the definition of 'user' agreed by the User Focus Action Group (set up by the Scottish Government following the Crerar Review) and would help to mitigate against unforeseen consequences of service change on these groups.

**vi) The appropriate balance between government, community and individual action in the delivery of the outcomes that matter most to them AND**

**vii) The importance of responding effectively to the challenges presented by climate change**

Consumer Focus Scotland is supportive of the Review Panel taking into account the challenges presented by climate change. However, in our own work on this area we often see a tension between the principles of sustainability and those of protecting vulnerable users. For example, in terms of recycling there are debates around the introduction of charging for excessive household waste. However, such charges would disproportionately fall on households with young children or those with older people or people with disabilities. And in general, low income consumers tend to contribute to environmental degradation the least. Policies to respond to climate change have to be developed with the impact on vulnerable consumers in mind.

We do, however, see opportunities to encourage consumers to take more individual action to address climate change issues. Although a lot of attention has been given to improving energy efficiency and reducing greenhouse gas emissions, consumers remain unaware of some of the ways in which their lifestyles will be impacted by climate change and how they will have to adapt. There is an opportunity to engage with consumers on these issues to help them to take more action and responsibility.

We hope that this response is of use to the Independent Budget Review. I would be happy to meet the Independent Budget Review Panel to discuss our views further.

For further information, please contact Jennifer Wallace, Principal Policy Advocate on 0141 227 6450 or email [jennifer.wallace@consumerfocus.org.uk](mailto:jennifer.wallace@consumerfocus.org.uk)

Yours sincerely



Douglas Sinclair  
Chair