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Finance and Public Administration Committee  
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01 June 2023

Dear Convener,

Thank you for your invitation to join the Deputy First Minister to provide evidence to the inquiry into public administration on effective Scottish Government decision-making, and the subsequent session on Public Administration in Government.

I am pleased to share with you further information on the points raised at this session and I hope you find the following update useful. I would of course be happy to discuss these further should that be helpful.

#### Public Bodies Reform

We offered to provide the Committee with more information on the reform of public bodies. I am mindful that the Deputy First Minister recently wrote to you on 25 May 2023, alongside the publication of the Medium Term Financial Strategy (MTFS). In the MTFS, we set out the approach to ensuring Scotland's finances are on a sustainable footing and delivering high-quality public services. In that letter, the Deputy First Minister offered updates on progress against our reform agenda every six months, to align with our budget timetable. This letter followed on from the Former Deputy First Minister's correspondence of 3 February and 20 March 2023 which detailed our approach to Public Service Reform.

We continue to make progress with our approach to Public Service Reform with the initiation of a first "sprint" on revenue raising which will take place over the summer. The Committee will also be interested to know that we held an information session with the chairs of the Boards of Public Bodies on 31 May 2023. This session explored cross portfolio activities which we will now look to take forward as a collaborative workstream between the Scottish Government and public bodies.

A further development in this space is the upcoming implementation of a Ministerial Control Framework (MCF). This is a control which bolsters the process of creating new public bodies and centres around three key principles:

1. Scottish Government's policy is that any new public body should only be set up as a last resort.
2. When consideration of all other delivery mechanisms has been exhausted, that the approval process for setting up a new public body through the Ministerial Control Framework must be followed.
3. Approval for setting up a new public body must be sought formally from Cabinet before any decision, or announcement is made.

The MCF will be key to ensuring our public body landscape remains sustainable and, in line with the Former Deputy First Minister's commitment, we look forward to providing you with a further update later this year.

## Financial Rules

At our session, we touched on the financial rules that apply to decision-making. I am happy to provide additional background and to reinforce the points that I made in evidence.

The Public Finance and Accountability (Scotland) Act 2000 provides the framework for the use of public resources and of accountability for their use. It requires that the use of resources be authorised by the Parliament in the annual Budget Act and must not exceed authorised amounts.

The Scottish Public Finance Manual provides fuller guidance on the proper handling and reporting of public funds, in particular in respect of the statutory requirements of regularity and propriety, and the requirement to consider economy, efficiency and effectiveness when deploying public funds.

The Scottish Government also operates within the UK Government public expenditure framework, which means the application of international accounting standards and UK budgeting rules. These determine how proposed expenditure should be classified, for example whether a spending proposal should be classified as capital or resource, and therefore determine funding availability.

The Scottish Government has processes and guidance in place to ensure that Accountable Officers are appropriately controlling spend and complying with appropriate financial guidance. Budgets are allocated for a financial year and the budget position is monitored closely on a monthly basis, with changes to budgets scrutinised and approved by Parliament as part of the Autumn and Spring Budget Revision processes.

As I touched on at the session, we have specific controls in place to support and evidence the decision-making by Accountable Officers, the achievement of a balanced budget and to maximise value from available budgets, including in relation to grant funding. Indeed, as Principal Accountable Officer I personally approve new spend over £1 million.

## Census Lessons Learned

Having completed the Collection phase of the Census Programme, National Records of Scotland (NRS) are working to deliver the planned programme of analytical products starting later this year and running, as planned, through 2024. In parallel, NRS is preparing the General Evaluation Report of Census 2022 which will cover the full lifecycle of the Programme, and any lessons that can be learned.

The process of gathering lessons learned is drawing from several streams. NRS has collated over 400 individual lessons learned, and further lessons have been taken from the statistical modelling phases of the work, in particular, the complementary use of other sources of administrative data to ensure robust population estimates. NRS will also be reflecting on feedback from users through the outputs and dissemination phase of the work.

In addition to the reflections by NRS, the evaluation will draw on the various assurance reviews undertaken, such as the Technology Assurance Framework reviews and the benefits realisation gateway review planned for late 2023. It shall also be informed by the evaluation work undertaken by the Office of the Chief Statistician and feedback from the Office for Statistics Regulation.

The lessons learned from this process shall be drafted into the General Evaluation Report. The NRS are committed to publishing this Report on its website after it has been completed and laid before Parliament in 2024.

## Gender Balance

The Committee had requested a breakdown of female employees in the Scottish Government which we are pleased to share. The following percentages apply directly to employed, paid staff, in the core Scottish Government on 31 December 2022, and are calculated from figures available in the Scottish Government's workforce diversity [Official Statistics publication](#).<sup>1</sup>

<i>Pay band</i>	<i>% Female</i>
<i>Band A</i>	57.0%
<i>Band B</i>	57.5%
<i>Band C</i>	58.4%
<i>Not assimilated</i>	7.1%
<i>SCS</i>	51.5%
<i>Total</i>	56.6%

We are also pleased to have a healthy gender balance across several of our corporate governance bodies. From 5 June 2023, our Non-Executive Directors will be 50% female and provide direct support and challenge to their respective Director-General. Furthermore, the Corporate Board which provides strategic oversight, guidance and advice in relation to organisational performance and development has 13 members, six of which are female.

Representation is only one aspect of our work to ensure the Scottish Government is a diverse and inclusive organisation, which is a core part of our values. We remain committed to building a workforce that represents the people of Scotland we serve, and where everyone has the opportunity to be part of an inclusive workplace which enables them to make their best contribution at work.

I thank you again for the opportunity to appear recently at the Finance and Public Administration Committee.

I hope this update is helpful.

Best wishes,

**JP Marks**  
**Permanent Secretary to the Scottish Government**

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<sup>1</sup> The data captured includes:

- Directly-employed staff consists of paid staff working on a permanent contract, fixed-term appointment or modern apprenticeship.
- Staff pay bands are based on their substantive grade rather than the grade they may be working at due to a temporary promotion. Band A is the most junior, then Band B, then Band C, and SCS the most senior.
- The 'Not assimilated' pay band consists primarily of staff on Marine pay grades and legal trainees.
- Definitions of terms and data sources are provided within the [published document](#).