



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Public Audit and Post-legislative Scrutiny Committee

**Thursday 12 September 2019**

**Session 5**



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Pàrlamaid na h-Alba

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**Thursday 12 September 2019**

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**PUBLIC AUDIT AND POST-LEGISLATIVE SCRUTINY COMMITTEE**  
**19<sup>th</sup> Meeting 2019, Session 5**

**CONVENER**

\*Jenny Marra (North East Scotland) (Lab)

**DEPUTY CONVENER**

\*Liam Kerr (North East Scotland) (Con)

**COMMITTEE MEMBERS**

\*Colin Beattie (Midlothian North and Musselburgh) (SNP)

\*Bill Bowman (North East Scotland) (Con)

\*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

\*Alex Neil (Airdrie and Shotts) (SNP)

\*Anas Sarwar (Glasgow) (Lab)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Martin Fairbairn (Scottish Funding Council)

Mark Ferris (Audit Scotland)

Caroline Gardner (Auditor General for Scotland)

Lorna MacDonald (Scottish Funding Council)

Dharshi Santhakumaran (Audit Scotland)

Claire Sweeney (Audit Scotland)

Karen Watt (Scottish Funding Council)

**CLERK TO THE COMMITTEE**

Lucy Scharbert

**LOCATION**

The David Livingstone Room (CR6)



## Scottish Parliament

### Public Audit and Post-legislative Scrutiny Committee

Thursday 12 September 2019

*[The Convener opened the meeting at 09:00]*

### Decision on Taking Business in Private

**The Convener (Jenny Marra):** Good morning and welcome to the 19th meeting in 2019 of the Public Audit and Post-legislative Scrutiny Committee. I ask everyone in the public gallery to switch off their devices or turn them to silent. Thank you.

Item 1 is a decision on taking business in private. Do members agree to take items 4, 5 and 6 in private this morning?

**Members indicated agreement.**

## Section 23 Reports

### “Scotland’s colleges 2019”

09:00

**The Convener:** Item 2 is on the section 23 report, “Scotland’s colleges 2019”. I welcome our witnesses from the Scottish Funding Council to the meeting: Karen Watt, chief executive; Martin Fairbairn, chief operating officer and secretary to the council; and Lorna MacDonald, director of finance. I invite Karen Watt to make a brief opening statement.

**Karen Watt (Scottish Funding Council):** Thank you for the opportunity to discuss the Auditor General for Scotland’s report, “Scotland’s colleges 2019”. I know that time is tight, so I will just make three opening comments.

First, as you will see from my letter to the committee, the Scottish Funding Council has accepted all the recommendations in the report and we have already acted on many of them. We are working closely with the college sector and the Scottish Government to deliver the recommendations in a way that enables us to keep an eye on students and learning outcomes as well as financial viability.

Secondly, overall, the report shows that there has been a small improvement in the underlying financial position of Scotland’s 20 incorporated colleges. However, the report also shows that colleges are facing a fairly tight financial environment. Below that sector-wide picture, there is a lot of variation in how individual colleges are performing; some are more challenged than others. Our focus is very firmly on the question of how colleges plan for their activities and make their cost base as viable and sustainable as possible.

Thirdly, despite all the pressures that colleges are facing, they are generally performing well and continuing to deliver against our shared targets and outcomes. Not only has the college sector exceeded the learning activity targets that we have set but 95 per cent of the students coming out of the colleges are going on to work, training and further study within three to six months of qualifying. Undoubtedly, there are challenges; there is also much to celebrate.

**The Convener:** Thank you very much indeed. Colin Beattie will open questioning for the committee.

**Colin Beattie (Midlothian North and Musselburgh) (SNP):** When arm’s-length foundations were originally set up, it was accepted that a fair proportion of the money that went to

them was already allocated to projects and would be disbursed in that way. However, for some colleges at least, a reasonable proportion of the funding that came from external sources came in through those foundations. It seems that that income has reduced substantially for most if not all colleges. What is the reason for that? Are you aware of the background to that?

**Karen Watt:** It might be easier to start with a general outline of the other income that colleges have access to and how they can deal with it. The report clearly sets out that there has been an increased dependency on Scottish Funding Council money. The other main sources of funding, along with ALFs, are tuition fees, education contracts, catering and other operations. There are European funds as well.

The issue of where colleges get additional income from is not just about the additional income; it is about how much surplus is generated for the college over time.

**Colin Beattie:** Not all the income that colleges make goes into ALFs.

**Karen Watt:** No, that is absolutely right. If colleges generate a significant surplus, we would expect that to go into ALFs. However, we expect colleges to make enough to break even and they can use the surplus they generate for other activities.

In general, colleges are under pressure and, in some regional economies, there are slightly fewer opportunities for colleges to open up other activities that can generate income. Some of the things that we are doing, such as the flexible workforce development fund, will enable them to engage with employers, which may generate additional income because they will get more contracts for work.

However, ALFs are independent—they are arm's length. A college needs to apply to an ALF to receive any funds. By and large, those have been for longer-term capital projects. The amount of money in ALFs is reducing as that money is being spent on the kind of things that colleges are applying to them for.

**Colin Beattie:** But we are talking about colleges being able to generate external income, which, by the nature of that income, would go into an ALF and be disbursed later to the college at an appropriate time, which means that they are generating a commercial profit. That aspect of their business seems to be reducing—it seems to be going away. What is the reason for that? Are the colleges no longer competitive? Are they no longer focused on that aspect?

**Karen Watt:** It is a general range of other pressures. By and large—I think that this is partly

what the Audit Scotland report recommendations are saying—the underlying operating position is still fairly healthy. We have seen that position improve over time. However, the ability to generate significant surplus from those other activities has been reduced, for a range of reasons. Increasingly, it is about the opportunities in regional areas and how long it takes to generate some of that additional income from contracts with employers. Lorna MacDonald may want to add to that.

**Lorna MacDonald (Scottish Funding Council):** The surplus that is generated from such activity would be used to address some of the pressures that colleges are facing. If there was any surplus from commercial activity at the end of the financial year, that is when it would be transferred into the ALF. Otherwise, it would be used for the operations of the college.

**Colin Beattie:** Am I interpreting this correctly? You are saying that because of the financial pressures on colleges, money that would normally be parked in an ALF until there is a particular project or purpose to spend it on is going straight into meeting operational needs, so it is not going to the ALF at all.

**Lorna MacDonald:** Yes.

**Colin Beattie:** Is there a reduced ability to generate income, or is it simply that the income is no longer visible to us because it is going straight into the operation of the college?

**Lorna MacDonald:** It is much more about generating income and sending it back into the business, rather than into an ALF.

**Martin Fairbairn (Scottish Funding Council):** We are looking at this territory. The intelligence is that the market for surplus-generating activity, which is in the consultancy-type field, is increasingly competitive. The margins on that activity are also reducing, so it is a combination of these things. The margin on such activity is much less than it was—it was always narrow anyway—and there are the other aspects that Karen Watt and Lorna MacDonald touched on.

**Colin Beattie:** So when you talk about the market being more competitive, you are talking about it being competitive on pricing.

**Martin Fairbairn:** Yes.

**Colin Beattie:** It is not about the product that colleges are offering.

**Martin Fairbairn:** No, it is about the price.

**Colin Beattie:** The Auditor General has told the committee that she wants the SFC to take clear account of the income-generation issue

“as it looks at the long-term forecast for individual colleges and the sector as a whole.”—[*Official Report, Public Audit and Post-legislative Scrutiny Committee*, 13 June 2019; c 7.]

What steps are you taking to follow that suggestion?

**Karen Watt:** When we look at the financial situation, we quickly home in on two particular indicators. One is on underlying sustainability and financial health and the cash position. We have also put out strengthened guidance on the quality of not just the colleges’ financial projections but their mitigating plans. We have taken Audit Scotland’s recommendation very seriously in terms of strengthening that guidance.

We are also doing more checking and following up. We are doing much more testing of the assumptions underpinning those future plans and we are working alongside colleges to get greater assurance that their plans will bear fruit and bring colleges into a sustainable position. We are doing a lot more checking, we are giving much stronger guidance about the assumptions that we expect them to make, and we are doing more testing. We are working alongside boards and senior teams to make sure that they understand the financial position and that they are able to keep an eye on this situation in the way that you would expect.

We are doing a lot of work with a range of bodies in the sector such as the College Development Network to help governing bodies to ask the right questions and to make sure that the assumptions underpinning those future plans work, because this is also about leadership and governance in the college sector.

**Colin Beattie:** On a different point, capital investment featured strongly in the Auditor General’s report. Has the £27 million of capital funding that was allocated to address the high-priority repairs been spent? Has all the work been done?

**Karen Watt:** That figure is the amount that was set aside. I think that about £125,000 had not been spent by the end of July but it had either been spent or was committed by the end of July.

**Colin Beattie:** Okay. There is a risk related to the reduction in capital expenditure. How will that impact on colleges, given that a fairly high proportion are still high risk? How is it impacting on how colleges can efficiently deliver their services?

**Karen Watt:** Martin Fairbairn can answer that question.

**Martin Fairbairn:** There is no doubt that the level of backlog maintenance represents financial and operational challenges. We have been particularly interested in how colleges are using

the money that has been provided so far specifically in relation to backlog, but also on any other resources and how they have prioritised that.

Colleges have definitely been prioritising spending on those areas where there might otherwise have been an impact on curriculum delivery. The challenge is that, as a result of that backlog and the conditions that the survey identified, there has not been a material impact on learner delivery in classrooms. We have not seen to any huge extent activities having to be mothballed followed by provision not being delivered. That does not take away from the fact that some of the most intense areas need to be addressed, as has been identified in the Auditor General’s report.

**Colin Beattie:** You talk about receiving intelligence. How up to date is your intelligence on what the status is?

**Martin Fairbairn:** Most recently, it has been on the back of the returns that we have received from colleges over the past six months on how the colleges have used the £28 million or thereabouts that was allocated for the first tranche of backlog maintenance, so the intelligence is very up to date.

**Colin Beattie:** So, based on your intelligence at this point, you are satisfied that the college estate is a safe learning environment.

**Martin Fairbairn:** We have nothing to indicate that it is not—that is correct.

**Colin Beattie:** What timescale has the SFC, along with the Scottish Government and the Scottish Futures Trust, set for the introduction of the new revenue funding model for future investment in the college estate?

**Martin Fairbairn:** Are you referring to what is called the mutual investment model?

**Colin Beattie:** Yes.

**Martin Fairbairn:** That model was recently announced in the programme for government. I do not have intelligence on the timeframe for its introduction. I know that in a recent announcement about the combination of the schools for the future programme and the investment in Halbeath campus at Dunfermline, the Scottish Government announced that, for Halbeath campus, which is one of the most critical campuses, a traditional capital grant approach will be used. That is very welcome because it allows us at least to make a start in one of the most critical areas.

It will probably take some months yet for the full detail of the mutual investment model to be worked out and that development will play a key part in influencing the infrastructure commission’s work. I understand that the commission is producing a report around the end of this calendar

year, so I would expect there to be more information then. If you want more detail on the model, I suggest asking the Scottish Futures Trust, because we are not the experts in how the MIM is being developed.

09:15

**Colin Beattie:** So, at this point, you are not heavily engaged in that development and you do not know a lot more than what has been made public.

**Martin Fairbairn:** We have been informed by the Scottish Futures Trust through discussion as the MIM idea has been developed, but either the Scottish Futures Trust or the Scottish Government would probably be a better source for how it will be rolled out.

**Bill Bowman (North East Scotland) (Con):** I want to ask about something that I hope is a positive action. In the past, we took evidence and commented on the fact that certain colleges were interpreting your accounting direction in their own way, shall we say, and that not always the same assumptions were put into the financial forecasts. You say in your submission that you are now asking colleges to submit their draft accounts and forecast calculations for you to review. How many sets of financials and calculations do you have to look at? Do you have the resources to do that? How is it going?

**Karen Watt:** We have made that commitment, and we will be looking at that very strongly. We do have the resources. We have a team of financial experts who look at that on a regular basis, but in this particular situation we will be looking forensically at the way those are put together.

Lorna MacDonald may want to say something about our current approach and the amount of resource that we are putting into that.

**Lorna MacDonald:** We are geared up for that, and we are very committed to getting consistent reporting across the sector. It is such an important indicator that consistency is required—indeed, it is absolutely essential that the colleges understand their own underlying positions. We will be engaged in that activity over the coming months, and the accounts will be finalised or at least signed off normally in December. We are ready for that.

**Bill Bowman:** How many sets of financials do you have to look at?

**Lorna MacDonald:** Across the sector and the incorporated colleges, we will be looking at 20 sets of accounts.

**Bill Bowman:** Plus the forecasts?

**Lorna MacDonald:** Plus the forecasts, yes, but the underlying position is that we look at the statutory accounts.

**Bill Bowman:** But you have not started that with the colleges yet.

**Lorna MacDonald:** They will be working on their statutory accounts at the moment. We will take forward that activity when they have their final drafts.

**Bill Bowman:** Do you have any—I will not say “informal”—on-going discussion with them to ensure that they are going in the right direction, rather than finding things—

**Lorna MacDonald:** Yes. That work goes on throughout the year, using the returns that they submit. There should not be any real surprises when we get to this stage.

**Bill Bowman:** Did you meet any resistance from the colleges to the request that they submit their draft accounts?

**Lorna MacDonald:** No—no resistance at all. I think that we are all collectively working on this because we all collectively understand the high priority of understanding the position.

**Bill Bowman:** Are there any particular colleges that you expect you may have to direct to change something?

**Lorna MacDonald:** That is always possible, and that is the purpose of our checking the drafts. If that is the case, we will do that at that time, and we will work with the external auditors in that process.

**Bill Bowman:** You have not dealt with any troublesome colleges.

**Lorna MacDonald:** No.

**Karen Watt:** We have not come to that point. It is a fair challenge, because the relationship with each of the colleges has been very positive. They have responded well, and we have put out more guidance. It is slightly disappointing that some of the calculations that we were getting were still wrong. It is relatively complex to make all the various adjustments, but we will be spending a lot of time on making sure that the underlying assumptions are calculated correctly and in advance of sign-off.

**Alex Neil (Airdrie and Shotts) (SNP):** Rather than talk about inputs, I am keen to talk about outputs. In Scotland we face a number of critical skills shortages. The construction industry is short of about 12,000 people with the right skills, the information technology sector is constantly grossly short of the skills that we require, and many other sectors are as well. How focused are the Funding Council and the colleges on playing their part in

dealing with those critical skills shortages, which are holding back growth in the Scottish economy?

**Karen Watt:** The first thing that I have done, since taking up my position, has been to work very closely with Skills Development Scotland on how we can work together to look at regional skills needs. We can look at the national picture but, increasingly, we need to look at how the colleges play into regional economics.

The colleges are becoming much more involved in regional skills planning. They are around more tables in terms of that sort of planning. However, by and large, employers' ability to understand what they need and to work closely with the colleges on how their curriculums develop and how they anticipate things is still work in progress. Colleges are incredibly well placed to respond very quickly to particular needs, particularly from small and medium-sized enterprises—they are plugged in—and we are helping them by enabling funds such as the flexible workforce development funds to meet the needs that are coming from the local economies.

In places such as Dundee, where Dundee and Angus College is working with Michelin, we see those connections already being made, through the plans that are developing and the engagement with the college on the upskilling and reskilling needs of the local economy. We are seeing more of that.

**Alex Neil:** With all due respect, that is the kind of answer that we were getting 10 years ago, when I was convening the Enterprise and Culture Committee. We have still not cracked the issue of the skills shortages.

It seems to me that a much more urgent approach needs to be taken, because these skills shortages exist now. I accept that you need always to be looking for ways to improve co-ordination between Government agencies and all that sort of stuff, but we have been doing that as long as the Parliament has been here and the fact is that skills shortages are worse than they were 20 years ago. What more needs to be done?

A number of years ago, long before this place was established, there was a dire shortage of school teachers. The then Government announced a crash programme of teacher training and took in substantially more people, and, over a three or four-year period, we broke the back of the teacher shortage. Do we not need to do something much more urgent about the dire skills shortages that we are facing?

We are short of 5,000 long-distance lorry drivers. Those jobs are well paid—the starting rate for a long-distance lorry driver is about £38,000 a year. We also have a dire shortage of train drivers.

Those jobs require fairly basic skills and are well paid, yet all the agencies are not delivering.

**Karen Watt:** To be fair, there are a lot of examples of colleges having responded immediately to the shortages that are obvious in some areas. I see colleges increasingly getting involved in courses—for example, apprenticeship schemes—that are quite specific to the needs that are emerging. Apprenticeship programmes are being directed at particular skills areas. Colleges, are well placed to do that quite quickly.

You are asking us to solve something that, as you rightly say, has taken a long time to solve and for which the plans have been in place for a number of years. The Government's development of a skills action plan and the way in which apprenticeships are developing, which enables colleges to respond to things quickly, should reduce the gap between what is needed and the provision.

I can say no more than that. You are right. It is for the Funding Council to get into a different relationship with Skills Development Scotland, which will enable us to have better conversations about what is needed in a particular region. In the south of Scotland, for example, where a new enterprise agency is in play, the colleges are not only closely involved in planning what is needed for the south of Scotland but are starting to develop curricula and schemes that will change the nature of the provision.

None of this happens quickly, but, when all of those things come together, we can close some of the gaps.

**Alex Neil:** I agree with that. It is all good stuff, but I think we have an emergency. If we are really going to grow the economy in the period ahead, we need to be doing something at a national level and we need to be doing it urgently, in a way that is much more focused on the dire skills shortages that are holding back growth, but I do not see that. I realise that the colleges have a part to play, but somebody has to drive that change across the board.

**The Convener:** I will continue Alex Neil's vein of questioning. Last week, the committee took evidence from the Scottish Government, which is planning the new social security delivery programme for Scotland. A lot of that is heavily based on IT, and the head of digital for the Government or the head of IT for the project said that, in Scotland, in particular, we have a worse problem with IT skills than there is in the rest of the United Kingdom. You addressed Alex Neil's point on a regional basis, but I think that we have a specific shortage in Scotland, not just in the public sector but in the private sector as well.

I want to drill down specifically. You mentioned the example of Dundee and the Michelin workforce, but do colleges across Scotland have the capacity to take workers who have been made redundant or who are seeking to upskill and move into other areas when the target for full-time equivalent students remains so high? It is currently 116,000. We can argue the merits of that and of young people being in full-time education, but, on a practical level, because of that target, do colleges have the capacity to take the kind of people you are talking about and upskill them?

**Karen Watt:** There is a clear tension between such targets and the flexibility that colleges may need in the long term. Some of that flexibility has been enabled by, for example, the policy shift away from the priority being 16 to 24-year-olds. The ability to move and shift below the surface of such targets has made a difference in enabling more mature and adult learners to come back to college. There is some flex in that.

I go back to apprenticeships. There are opportunities for colleges to bring a broader sweep of people in through the apprenticeship family, for which colleges currently have access to funding through Skills Development Scotland. You are right. The challenge is to change the nature of some of the provision from investment in 16 to 24-year-olds into the ability to flex into more upskilling and reskilling. I would say that that is still a challenge. It is about balance, but that is where I think the Funding Council will need to go over time. How do we get a funding model that enables colleges to shift their provision as required, depending on how the economy is shifting and changing? Embedding digital skills in every curriculum—not just having information and communications technology as a particular course, but bedding that into the suite of provisions so that we enable people to come back to college and have those lifelong skills—is part of the curriculum development.

You are right to say that there is a definite tension between the targets and the ability to flex. However, I think that the position is already shifting.

**The Convener:** Do you think the targets will shift?

**Karen Watt:** Below the targets, there is already some shift in how we have talked about 16 to 24-year-olds and the ability to bring in adult learners. We will see—

**The Convener:** What do you mean by a shift below the targets? If the Government's target remains static at, I believe, 116,000, how can there be any shift below it?

**Karen Watt:** I simply meant that the category of people that we can target within that number has

shifted. You are right. I am saying that there is a challenge in having volume targets of that nature. The issue is how we can quickly shift into that sort of upskilling and reskilling. It is about course design as well.

**The Convener:** For how many years has the target been 116,000?

**Karen Watt:** Since—I am looking to my colleagues—2012.

**Martin Fairbairn:** Since 2012-ish.

**The Convener:** That rings true to me. I remember having a debate about it with Mike Russell in the chamber. That would have been seven years ago.

There has been quite a lot of demographic change since then. What I hear from the colleges is they are putting a lot of resource into desperately chasing 16 to 24-year-old full-time students. Schools are keeping them on at an increasing rate, and I am told that the universities are lowering the entry requirements for many university courses that those students might be eligible for. Some of them are staying at school and some are going off to university, and the colleges are using all their resource to get them in their doors when there are all these firms that need upskilling.

Is it time for the Government to look at the target? It is a seven-year-old target that has not shifted at all.

09:30

**Martin Fairbairn:** It may be helpful for the committee to know that there is the 116,000 FTE target but no target for full-time students. At the time of the recession, in 2012-ish, the policy focus was correctly on younger and full-time students, but a target was never set for full-time students. Within that 116,000 full-time equivalent target, as a system—including as individual colleges—we can look to increase the amount of provision that is for older learners and for learners who are in work. That could include working with companies' workforces.

**The Convener:** Excuse me, Mr Fairbairn. My direct question is whether we can have a static target such as that, without revision, when we are seeing such demographic change in our communities. Is that realistic, and is it fair to the colleges?

**Karen Watt:** It is the right question at this point in time. The conversations that we are having with the Government are about the nature of those shifts and changes. For example, on widening access, it is absolutely the case that there is a demographic shift towards fewer young people

going to college, and we know that, even by 2023, that population of 16 to 24-year-olds will have declined by about 10 per cent.

When some of the targets were set, we would not have known—particularly in the context of widening access—that universities were going to be relatively successful in widening their offer to students, who now have broader pathways and different choices. You are quite right, convener: colleges are now just one of a number of choices that people are making. It is a tension in the system, undoubtedly.

That is partly why the Funding Council is now thinking quite a lot about whether it is wise to have targets for each sector in our tertiary education system or whether we need to look at the system as a whole. On the issue of widening access, for example, colleges are being challenged much more around how they get footfall when we have universities in that same space.

I think there is a need to step back and look at the whole system rather than have specific targets that pick up particular things for particular parts of it. We would encourage a look at those targets in the round, now that each bit of the system is shifting and changing.

**The Convener:** That is very useful. Thank you very much.

**Willie Coffey (Kilmarnock and Irvine Valley) (SNP):** Thank you very much, convener, and good morning to the panel.

I will ask about Ayrshire College. The Auditor General's report shows us that one of the significant risks that the college still faces is the private finance initiative millstone around its neck, of about £1.4 million a year. Can you explain to me why Ayrshire College is unique among the colleges in still having a PFI obligation? Other colleges' PFIs—West Lothian College's was one—were paid off by the Funding Council in previous years.

**Karen Watt:** As you know, every college made decisions about how to balance the cost of provision with the quality that they want for the student learning environment.

Specifically on Ayrshire College, the £1.4 million represents about 3 per cent of its total income. When we have talked to the college, in particular in recent years, it has not asked us to buy out its PFI contract, although it has sought some support in its sustainability plan, so we have helped it with its annual payments.

Other elements of income have come in to offset those payments. The Deputy First Minister and Cabinet Secretary for Education and Skills enabled the college to retain some of the net

proceeds from disposal of the former Kilmarnock College campus.

At this point in time, our judgment is that the PFI is affordable. That is not a value judgment on PFI. It is simply the case, when we look at the whole financial position of Ayrshire College, that some of the other increased costs that have come through have been similar to what has happened in other colleges. That has been part of the discussion with Ayrshire College about its sustainability plan. How will it bring those other costs into scope? We discussed financial planning and mitigation. Our judgment, given that the £1.4 million is 3 per cent of its total income and the college is managing that within its current envelope, is that other costs in its business, when we strip out everything else, are the issue. We are talking to the college about that.

I will pick up very briefly on the West Lothian College issue—which was long before my time. I understand that the amount of its income that was going towards PFI costs was very much more significant—about 20 per cent. The judgment that was made at that time, given all the other factors, was that that cost was a significant burden and could, therefore, be addressed. Also, there was a willing contractor in that situation. The situation with Ayrshire College is different—we have had assurances from the college that it is managing the costs.

**Willie Coffey:** Okay. You said the amount is “affordable”, but we know that the college had to introduce a voluntary severance scheme, which has saved an almost equivalent amount to the recurring annual amount that is needed to pay the PFI costs. It is hard to escape the conclusion that the college brought in the voluntary redundancy scheme to pay off their staff for that reason. If that is what you mean by “affordable”, I think that it would particularly upset a number of staff and former employees of Ayrshire College. The affordability exists only because the college has saved pay through the VR scheme. How can that be a sustainable and sensible policy for the SFC to introduce?

**Karen Watt:** I would separate affordability and sustainability. In most colleges the average staff base represents about 65 per cent of costs. Our sense is that other costs and aspects of income and expenditure are issues for Ayrshire College, and that they are similar to trends and patterns around staff and other costs that other colleges are facing. Our judgment is that the PFI cost is not the significant issue that it faces.

**Willie Coffey:** Okay. The Funding Council has provided, I think, £700,000 a year for two years to help out, but the remaining PFI obligation after that will still be more than £4 million, which the college will have to find. Is there any commitment from the Funding Council to assist the college in meeting

that obligation in the remaining four years of that PFI? If not, the college might face another VR scheme.

**Karen Watt:** We are working very closely with Ayrshire College. Let us see how its new plan comes in to us. We will always run alongside colleges to look at their overall situation. At this point in time, we are running very closely alongside the college, as we are with others. We will keep the matter under constant review.

**Willie Coffey:** Okay. My last question is about harmonisation costs in the mergers of several years ago. My understanding from previous discussions in the committee is that some colleges received harmonisation funding from the Funding Council and some did not. Ayrshire College did not. Do the colleges that received harmonisation assistance at that time no longer receive it, or is it built into their year-on-year settlements? I think that we were told that the payments were a one-off. Can you therefore clarify for the committee—finally, I hope—that the harmonisation assistance that was provided by the Funding Council to some colleges was a one-off and it is not recurring?

**Karen Watt:** My understanding is that there are two distinct matters. There was the merger programme, and there was a range of different salaries and pay conditions that had to be harmonised, so colleges did that. They came together and looked at how best they could merge.

**Willie Coffey:** Some did, but others received funding from the Funding Council.

**Karen Watt:** At the time, decisions were made about the best way to make the mergers happen. Clearly, now we have harmonisation at national level through national bargaining. That has been a separate three-year programme costing £99 million. My understanding is that the merger programme has been done and we are not funding any element of it. I am looking to both my colleagues on that.

**Martin Fairbairn:** At the time of the mergers, of the nine that took place in 2013 and 2014, only one merger—that for Scotland's Rural College—was given funding for harmonisation. That was a very special thing that was to do with pensions, and was a one-off transitional arrangement. That was the only piece of additional funding in terms of costs of harmonisation. Additional funding was provided in merger situations in which there was associated restructuring, but not for harmonisation. When colleges harmonised, the cost of that was met from within the new merged entity, apart from in the case of SRUC.

**Willie Coffey:** Okay. Thank you for that.

**The Convener:** I will pick up on that matter. My understanding is that some colleges had the

foresight during the merger process to harmonise at that point. When harmonisation was required across the country, other colleges that had not had such foresight in planning at the time of the merger process were given money. Mr Coffey and I understand that Ayrshire College and Dundee and Angus College had done the harmonisation as part of the merger process, so they were financially penalised because they did not receive harmonisation money when it was required elsewhere in the country. I know that Karen Watt is new in post. Would you be willing to meet both colleges to discuss that specific issue specifically? Willie Coffey and I feel that our colleges and constituents have been penalised by the process.

**Karen Watt:** I would be very happy to do that; let us have that conversation.

I make the point that for our funding model, we are, at the minute, looking at national bargaining and will take it into account. When national bargaining is completed, we will decide what funding model we need in order to deliver the volume of activity that is needed in particular colleges. Regional skills needs will also be part of that conversation—it is not just about harmonisation. We would also like to have a conversation about how our funding model will develop over the next few years.

**The Convener:** Okay. Thank you for that commitment.

**Anas Sarwar (Glasgow) (Lab):** I have a couple of questions about the diversity of the boards and leadership of colleges. The Auditor General's report indicates that 43 per cent of college board members are women. What work has been done by the SFC to achieve gender balance on boards? I will ask about principals separately.

**Karen Watt:** We take gender issues and the gender balance on boards very seriously. As Anas Sarwar knows, there are a range of challenges in broader society in ensuring that we get women involved in public life and on boards. On gender, we are doing a lot, particularly through funding to help to generate a broader range of people coming forward. Funding from Advance HE is helping boards to reach out in various ways to make sure that they include proper representation.

09:45

College boards also include a number of staff and student representatives who are elected members. That means that the boards' ability to manage the balance on them is, in a way, slightly challenging, because who those people are is outside boards' control. A lot is being done to balance gender as well as possible, but there is always more that can be done in that regard.

Do you want to add something, Lorna?

**Lorna MacDonald:** I do not want to add anything on that, but in terms of senior management teams and principals in the sector, the position at the end of October was relatively balanced, at 46 per cent male and 54 per cent female.

**Anas Sarwar:** Is that figure for principals of the colleges?

**Karen Watt:** Yes.

**Anas Sarwar:** What proportion of boards are from ethnic minority backgrounds?

**Karen Watt:** I do not have that figure to hand. Could I write to you with that figure and the plan?

**Anas Sarwar:** Is that something that you monitor and record?

**Karen Watt:** It is. I have the figure and can get it, and I can write to you about the actions that are in train on that.

**Anas Sarwar:** What proportion of principals are from ethnic minority backgrounds?

**Karen Watt:** Again, I apologise because I do not have that figure to hand.

**Anas Sarwar:** I had analysis done by the Scottish Parliament information centre that showed that not a single college or university principal in Scotland is from a diverse ethnic minority background. We are, rightly, prioritising gender-balanced boards: surely a similar amount of interaction and interest should apply at leadership level in terms of ethnic minority representation. I had thought that that would be at the front of your mind, rather than your needing to look into the matter and come back to us. If you can do that, that would be great.

**Karen Watt:** That is a very fair challenge. In the past fortnight we met the Scottish Human Rights Commission. We looked across the piece at what the Funding Council could do in respect of closer alignment on public duties. We are exploring with the commission whether there could be a memorandum on closer working. We are very clear that we have responsibilities and duties, and we want to make sure that we work as closely as possible. A good and fruitful set of conversations has opened up on ensuring that we are absolutely on top of public duties, as we should be.

**Anas Sarwar:** Can you tell us a bit about the gender balance and ethnic minority balance among the senior leadership and staff of the SFC?

**Karen Watt:** I think that I might have brought greater gender balance to the senior team in the Funding Council.

**Anas Sarwar:** Which is very welcome.

**Karen Watt:** The point is well made. The Funding Council does not, I find, have a huge amount of turnover. When we recruit, the challenge is to ask whether we are reaching out and doing the right things through advertising and using networks. We have appointed a person to help us to make sure in-house that we are doing as much as we can when we have such opportunities—when there is turnover and we need to advertise. It is a very good challenge.

**Anas Sarwar:** Can you tell us about ethnic minority representation within the SFC?

**Karen Watt:** Ethnic minority representation at this point in time is under 2 per cent of our workforce. We are not meeting our national targets on that at the moment.

**Anas Sarwar:** Thank you.

**Liam Kerr (North East Scotland) (Con):** I have several wrap-up questions based on what we heard earlier. First, I want to go back to the start and to Colin Beattie's questions about finances. I think that Karen Watt said that there was an increasing dependence on Scottish Government finances.

Last year, income in the sector was £711 million, which was a reduction on the previous year. Expenditure was £741 million, which was an increase on the previous year. I think that the revenue funding increased in real terms, but that was allocated to the staff harmonisation. Given all those premises, are college finances sustainable?

**Karen Watt:** I would say yes, but I think that we need to see the plans that will come in at the end of this month and how our strengthened guidance has helped colleges not just to give us their plans but to have a very detailed set that elevates the assumptions that they are working on and their mitigating strategies. At this point in time my answer is yes, but I would like to see what those plans are telling us.

When the things that are beyond a college's immediate control are stripped out and we look at the underlying operating position—so looking at net depreciation and other things and adjusting for technical accounting factors—I think that the underlying surplus position has improved. We have seen it go from £300,000 up to £3.1 million. I would still like to see how those calculations are being made, and I would still like us to be running very closely to some of that planning.

The answer is yes, but the situation is not without challenge. The next suite of strengthened plans will help us to give a much better picture not just for the immediate period, but into that critical three to five-year period.

**Liam Kerr:** Forgive me if I have missed something in what you have been saying. Bill

Bowman asked about financial forecasting, and I think that I am right in saying that 17 of the colleges are projecting deficits over the next five years. I think that I am also right in saying that only two colleges have identified specific actions that will address those deficits. If that is right, why have the colleges not all done it? Is that acceptable?

**Karen Watt:** We would like to see colleges doing a lot better on financial planning. As you know, we operate a system that looks at the level of engagement that we need to have with each individual college. We are actively engaged with colleges that are in particular difficulties, but by and large we need to very strongly keep an eye on that picture.

Lorna, do you want to come in on this?

**Lorna MacDonald:** Mr Kerr is absolutely right. The audit report mentioned 12 colleges that were projecting deficits at the time of the audit field work being carried out; that is very much the picture that is reflected in the Audit Scotland report. The Funding Council engaged with the colleges that were projecting immediate deficits to make sure that they had mitigating actions in place. The situation has moved on from the picture that is presented in the Audit Scotland report, but that is just a matter of timing.

**Liam Kerr:** I understand.

Finally, both Alex Neil and the convener asked about the outputs and the ability to deliver the various targets in relation to the workforce. You said that you were looking at the funding model, and that is a process that will take place in the future. Do the financial pressures that face the colleges present a risk to their ability to deliver the objectives of the Scottish Government and the Funding Council, and indeed the objectives that were identified by Alex Neil and the convener?

**Karen Watt:** No—there will always be challenges, but I simply meant the end of national bargaining and how we have funded that over the past two or three years. We need to look at the model going forward. By and large, colleges are performing well and they are meeting their activity targets. Those targets are not without pressures, as we have discussed, but we are not changing the funding model because we think that the colleges will not meet the targets. It is more about taking a more rational approach to how we fund activity in particular areas.

We will always keep our eye on those targets and the outcomes that we are seeking to achieve—the attainment levels and the success rates. That, along with the work that we are doing on a range of fronts on quality assessment with Education Scotland, is utterly in the vein of making sure that the targets are met and that the levels of success and attainment are not just maintained

but raised in some areas. The issue about the funding model is much more about taking a more rational approach to how we fund activity in future.

**Liam Kerr:** Perhaps I can put the question slightly differently. Do the current financial pressures present a risk to the outcomes that we all want to see?

**Karen Watt:** The colleges are managing well. Through all the work on how they project forward, we are aiming to get a better sense of where the pressures lie and, where there is any risk to a target or to attainment levels, to work alongside the college to ensure that it is paying attention to that. At this point, I would say that the colleges are on track to meet the targets as we expect them to, but that is not without challenge or pressure.

**Liam Kerr:** I understand.

**The Convener:** The European social fund projects will come to an end in 2022. My understanding is that that is nothing to do with Brexit; the money was coming to an end anyway. Is that correct?

**Karen Watt:** With regard to some of the social funds, yes, that is absolutely right. On Scotland's workforce planning funds, that is right.

**The Convener:** Is that money allocated directly from the European social fund or from the Scottish Government?

**Karen Watt:** We pay out programmes from the European social fund. Lorna, can you pick up on how the social fund works?

**Lorna MacDonald:** Yes. It is match, or contribution, funding, so there is an element from the Funding Council budget as well as European funds.

**The Convener:** My understanding is that the funding will end in 2022, which will have quite a big impact on colleges. In Dundee and Angus College, that will be the equivalent of the loss of 250 full-time places. Do you have plans to replace that funding for colleges?

**Karen Watt:** You are right. There is a risk around whether there will be replacement funding and what kind of programmes will be put in place. There is a commitment to work on the funding on developing Scotland's workforce until 2022-23.

There will be different impacts in different areas. For example, we are looking at how the UK Government's commitment around the UK shared prosperity fund would work. At this point in time, I do not know more than you about how that fund will work, but we are working closely with the Scottish Government to make sure that the case is made and that there is an understanding about the impact on each of the colleges about any loss of funding.

The issue is not just the direct funding streams such as developing Scotland's workforce. The Funding Council is also tracking closely the indirect funding that colleges get. For example, the apprenticeship family, particularly foundation and graduate apprenticeships, is funded through European funds, and again that is a source of additional income to the colleges. We are working very closely not just with the Government on how the shared prosperity fund might work, but with Skills Development Scotland on the nature of funding for the apprenticeship family's programmes.

**The Convener:** May I go back to my first question on this? I do not have the knowledge on how the European social fund works. Do those funds come directly from Europe for allocation to the sectors by the Scottish Government, or do they come directly from Europe to the Scottish Funding Council? Is the money drying up from the European source, or is it being reallocated at a Scottish level away from the college sector?

**Karen Watt:** It is planned funding that is coming through. At one level, some of the decline in funding was already planned; as you said, it is not about Brexit and it is not about a reallocation or redistribution. These moneys had been planned and they are match funded. The colleges know what they are due to receive at some level until 2022-23. It is a planned programme, and the money is not being reallocated anywhere else.

The issue is what happens next. Will there be replacement funds? With the funding that is available, how can we look at how sustainable some of the programmes are over time? The issue is particularly resonant in some areas—for example, in Dundee and Angus College, and in the Highlands and Islands—where we are looking not just at the developing Scotland's workforce funding but at particular structural funds, Interreg and other programmes that have come directly into the Highlands and Islands region and which we are anxious to maintain at some level. That is why we are liaising with the Government.

**The Convener:** Can I take an assurance from you today that you are doing a strong piece of work that is looking to find money so we do not lose those 250 places in Dundee and Angus College?

**Karen Watt:** We can absolutely give the assurance that we are tracking this. We are on it and we are making the case for how those funds might impact and be replaced over time.

**The Convener:** Great—thank you very much.

We have no further questions, so thank you very much for your evidence.

10:00

*Meeting suspended.*

10:05

*On resuming—*

### **“NHS Workforce Planning—Part 2: The Clinical Workforce in General Practice”**

**The Convener:** Item 3 is consideration of another section 23 report, on NHS workforce planning.

I welcome the witnesses: Caroline Gardner, Auditor General for Scotland; Claire Sweeney, audit director; Mark Ferris, senior audit manager; and Dharshi Santhakumaran, audit manager; they are all from Audit Scotland. The Auditor General will make an opening statement.

**Caroline Gardner (Auditor General for Scotland):** Thank you, convener. Very briefly, this report is the second in a series of audits on NHS workforce planning. The first report focused on the secondary care workforce and was published in July 2017, while today's report examines how effectively the Scottish Government is planning the general practice-based workforce to meet the needs of the Scottish population.

Primary care plays a crucial role in the Scottish Government's vision to shift the balance of care. The Government has ambitious plans to change the way in which primary care services are delivered, with a focus on increasing the workforce and expanding the multidisciplinary teams who work with general practitioners. The ambition is clear, but the Government has not provided a clear analysis of how its plans for the workforce will achieve that ambition.

The Government has committed to having an additional 800 GPs in the workforce by 2027. It is not clear how the Government has calculated that that number will meet the demand in the long term, or how it relates to plans to increase the wider workforce to take pressure off GPs. The Government has put a range of measures in place to try to improve the recruitment and retention of GPs, but it is difficult to see how the target will be achieved, given trends in GP numbers and UK-wide workforce pressures.

The successful implementation of the new GP contract also depends on integration authorities being able to increase the multidisciplinary workforce. Integration authorities have set out their workforce projections for the next three years, but it is likely that some areas will struggle to recruit the numbers of pharmacists, nurses and physiotherapists needed. It is also likely that the expansion will have a knock-on effect on other parts of the health and social care workforce.

The Government's ability to plan the workforce effectively has been hampered by a lack of data on primary care. Securing agreement that practices will submit data as part of the new contract is a positive step, but the details of what data will be collected have not yet been finalised. Without good baseline data, the Government will not be able to assess whether changes to primary care are having the desired impact.

Finally, there have been delays to a number of workforce planning outputs, including the national integrated health and social care workforce plan. When that plan is published, I hope to see more detailed scenario planning and a clearer assessment of the workforce needed to meet the future needs of the Scottish population.

As always, convener, my colleagues and I will do our best to answer the committee's questions.

**The Convener:** Thank you very much, Auditor General. Anas Sarwar will open the questioning.

**Anas Sarwar:** Thank you, Auditor General, for that introduction. I will ask a few questions. It is the Scottish Government's ambition to have 800 additional GPs within the 10 years of the strategy. How does it marry that ambition with the Royal College of General Practitioners' view that we will be 850-odd GPs short by 2021?

**Caroline Gardner:** I will ask Dharshi Santhakumaran to come in in a moment to give you more detail.

On page 25 of the report, we set out some of our concerns about the 800 GP target. First, the target is set in headcount terms. As we say in the report, we know that increasing numbers of GPs, particularly younger GPs, are planning to work on a less than full-time basis, so you need to train more people in order to have 800 people on a full-time equivalent basis. Secondly, the Government's planning does not take account of what we know about retirement rates, the potential impact of European Union withdrawal and recruitment difficulties more widely.

In the report, we set out a range of estimates of what we think might happen in relation to the GP target. The estimates are generally on the optimistic case; it is possible we will have fewer GPs in place at that point. Dharshi Santhakumaran can give you some more background to that.

**Dharshi Santhakumaran (Audit Scotland):** We have not seen any clear analysis of how the Scottish Government reached the 800 GP target, so we cannot really compare it with the RCGP's suggestion that there will be a deficit of 856 GPs.

As for our projections, exhibit 8 in the report describes the most likely scenario. We looked at a number of factors. We looked at trends in the

leavers and joiners in the GP workforce and we also took account of what we know about the number of GPs who are also registered in EU countries. The most likely scenario looks at what would happen if 10 per cent of those decided to leave the country. We also looked at increasing trends in part-time working.

We have more scenarios online that show both the best and worst cases: there is quite a big difference between those. In our worst-case scenario there would be a significantly bigger gap, and in the best-case scenario there would be a small surplus.

**Anas Sarwar:** What is clear from that is that, based on the current trends and outputs it looks as though we will not meet the Scottish Government's target of 800 GPs, never mind the RCGP's target.

Part of what is required is a remodelling and a culture change in primary care, and part of that culture change is getting patients to understand that they cannot always see a GP and that it is sometimes perhaps best to see a physiotherapist or an advanced specialist nurse or a mental health nurse. The issue is also how we build up a multidisciplinary team. Can you say a bit about whether progress has been made on culture change, and also on building an adequate workforce to fill GP places?

**Caroline Gardner:** I will kick us off, and look to the team to fill in the gaps. You are absolutely right that the Government's vision for health and social care is based on moving more care out of acute hospitals and into community-based settings. GPs, and the teams around them, play a key part in that. A GP practice is the best place to identify problems early, to help people manage their care, and to avoid the need for admission to hospital where it is not essential. To do that well, they will need to build the wider team of nurses, physiotherapists, allied healthcare professionals and other workers, such as community link workers, to be able to do that well.

That is one of the key elements of the new general medical services contract that came into effect in April 2018. It was intended to build that approach and to give responsibilities for working in a different way, so that GPs could be more effective by seeing the right patients.

We say in the report that there is some evidence that patients would be willing to see professionals other than GPs if patients understood the roles of those professionals and particularly if the patients' previous experience had been good. An important recommendation from this report is that the Government, health boards and healthcare professionals more widely need to engage with people about why those changes are needed and say that it is not about cuts, it is about—

**Anas Sarwar:** Sorry for interrupting you. We talked about the additional headcount of 800 GPs. Has there been an analysis of what additional headcount will be needed for each layer of the multidisciplinary team, so that we know how many people we are short and how many people we need to train up and bring into primary care?

**Caroline Gardner:** We are not seeing something that goes beyond the commitments to train additional numbers of people and that sets out what you have described, which is an analysis that says, "Here is what the workforce of the future needs to look like to be able to do that." We are seeing some of that at a local level, where it is being done by some individual integration authorities.

**Anas Sarwar:** But not national Government.

**Caroline Gardner:** The integration authorities' figures are much higher than the levels we have seen being recruited into the workforce in recent years.

I think that that engagement piece is really important—this was a key part of your question—for people to understand why things are changing and accept appointments with other healthcare professionals. That seems to us a key part of making it work. Claire Sweeney and Dharshi Santhakumaran will want to add to that.

**Claire Sweeney (Audit Scotland):** It is perhaps worth making the point that workforce planning is not just about the primary care workforce, but about the impact on the rest of the system. We do not have good data about the numbers that need to be in place in general practice, but neither do we have a clear picture about what the implications of that are for the rest of the system. Changing what happens in a GP practice will have an impact on what is needed in, for example, secondary care, district nursing and, of course, in the workforce in social care services—people working in care homes and the like. We are not seeing the model in primary care, but that is just part of a bigger, more complex system that needs to be thought through.

**Anas Sarwar:** I have asked this question before on lots of different topics. If you add up the numbers, you are probably talking about needing a headcount of 2,000 or 3,000 people—perhaps even more. Do the numbers exist in Scotland to be able to deliver what we want to deliver? If not, what is the answer? Is it another remodelling? Is it international students? Is it migration? What is the answer?

10:15

**Caroline Gardner:** That is a really good question and obviously links back to the

committee's earlier evidence session with the Funding Council about skills training. Exhibit 9 in the report sets out, for each of the allied health professions—pharmacists and so on—the increases in those staff groups that the integration authorities across Scotland think that they need over the next three years. In every case, the numbers that the authorities think they will need in future are much bigger than the increases that we have seen in the recent past and those people are not just there to appoint.

As Claire Sweeney said, there is a risk that as the primary care teams are increasing their numbers, they are recruiting staff from other bits of the health service, from pharmacists and community pharmacies or hospitals, for example. We know that it takes a while to train allied health professionals. It does not take as long as it takes to train doctors—it is generally three years, perhaps a little bit longer—but the planning for that needs to be happening now and the Government needs to understand what the cost implications are. It is likely that there will be a cost increase needed during the training period as we get numbers up, even if there are savings to be had from the acute sector once the primary care system is fulfilling that bigger role that is expected of it.

**Mark Ferris (Audit Scotland):** Building on what the Auditor General said, we do not know the numbers, but we also do not know the costs of the primary care workforce at present. We do not know what the costs may be to train up all the GPs and the additional multidisciplinary teams, or what that will translate into in costs for the future workforce.

**Anas Sarwar:** Is there adequate interaction among NHS workforce planners, the Scottish Government and the Scottish Funding Council in relation to colleges and the university sector about the courses that we need, the number of places that we need, where and how soon we need them, and how many places need to be for Scotland-based students? We know that students are more likely to stay in-country if they are Scottish and are in a Scottish place. Is there adequate interaction? It does not feel like there is adequate interaction.

**Caroline Gardner:** NHS Education for Scotland plays a key role for the core NHS workforce. If the information that our report identifies a need for were there, NHS Education for Scotland would be able to do very much more to co-ordinate the training and ensure that the training places were in the right place. It has made some good progress this year with the data platform that will pull that information together.

People in some of the other roles, particularly the less professional roles—I mentioned community link workers and some of the other

healthcare support workers—are and can be trained in further education colleges and other settings. I am not sure that we see much evidence of joined-up training around those roles. There is also an issue around expanding the early learning and childcare workforce to meet the Government's commitment on that by next August. There is room for more joined-up skills planning in those non-clinical parts of the primary care workforce.

**Anas Sarwar:** My final area of questioning is about the business side of a GP practice. We know anecdotally that a lot of the pressure on GPs is from managing a business—from managing and maintaining property, managing human resources and suchlike. There is a drive now for the maintenance of GP practices, the responsibility for the rent and so on to be taken over by health boards. What are the cost implications and risks involved in that? Should we be looking at a model in which we take property away from individual GPs and GP practices and instead have NHS boards operate it in-house? What impact would relieving some of the pressure on GPs in that way have in encouraging more GPs to stay on and new GPs to come in?

**Caroline Gardner:** There have been two big developments in that area recently. The first is the new GMS contract, one of whose aims is to share the risk relating to premises and so on between GP partners, the NHS centrally and health boards. As we say in the report, one of the challenges is that information to monitor the impact of that contract is not yet being collected, so we are watching to see what happens there.

The second development is that, as you know, more GP practices are being taken over by their NHS boards and more GPs are being employed directly rather than as partners. The evidence on that is not clear yet. Some GPs think that it costs more to provide primary care through a directly employed model. It is also possible that that model may reduce the ability for GP practices to respond flexibly to the needs of their local communities and the people they serve, but the truth is that we simply do not know yet what the impact is. It is another area that needs careful monitoring.

**Anas Sarwar:** Many GP practices will be older properties that are not well maintained. If we are going to move to multidisciplinary teams, that will require a larger workforce and more health centre-type buildings. Has any analysis been done of the potential capital investment that is required to build primary care hubs in communities across Scotland?

**Caroline Gardner:** We highlight in the report the need for both more and different physical infrastructure for multidisciplinary teams and digital infrastructure. I will ask the team to pick that question up.

**Claire Sweeney:** We recognise that capital is an increasing risk across the health and social care sector—there is no doubt about that. We will want to talk about that again in the NHS overview report this year. One of the issues is the extent to which workforce and capital plans are keeping pace with the move to health and social care integration and different models of care. The Scottish Government's ambition to have a very different model of health and social care, and the development of GPs and GP practices and the like is key to making that work. If there are problems there, there will be issues with delivering the new models of care. I do not know that there is much more we could say about the detail around capital at a local level, but certainly it is something that we are keeping an eye on and are very interested in. It is a big risk.

**The Convener:** There are huge data gaps again. What Mark Ferris said was quite shocking. He said that the Scottish Government does not know how much this will cost and he reeled off about five areas where there is not enough data or information. It is quite astonishing.

**Caroline Gardner:** It is one of the key messages of the report. There is widespread consensus that the Government's vision for the health service—to move more care into primary and community settings—is the right one. We cannot possibly do that unless we know what GPs and their teams are doing now, what we want them to be doing in future, how many we need for that and what it costs. As we have said before, there are particular data gaps in the primary and community care parts of the health and care service. I know that it is an issue of concern to the committee. It causes problems both in planning and in evaluating the changes that the Government is looking to make.

**The Convener:** Why are there the data gaps? Does the Government not require this information to be recorded, or is it NHS boards that are not requiring it to be recorded? Where does the direction come from to capture the information that we need?

**Caroline Gardner:** The position is complicated, as it often is. Part of the root cause is the fact that, as Mr Sarwar was saying, most GPs until now have been independent contractors and there has not been a requirement on them in recent years to provide some of the information that is needed. The Government has developed a programme called Scottish primary care information resource, which was intended to collect some of the activity data that is needed, but it is not fully doing that. Data gaps here are a problem. The team can give you more detail if that would be helpful.

**Dharshi Santhakumaran:** As the Auditor General said, until the current GP contract, GPs,

as independent contractors, were not obliged to submit practice data. Because of that, the only thing that we knew was the head count number of GPs. Everything else was estimated data based on a voluntary primary care workforce survey, which was run every two years. Because of that, we had a big gap in our understanding of the number of people in the wider team working in GP practices and the workforce costs. There has been a gap in activity data—the number of consultations and whether it was the GP or other members of the team who were having those consultations—because that data has not been collected since 2013. There is work under way to improve that and, as part of the new contract, practices will be obliged to submit data, but that is not yet happening.

**The Convener:** What is the significance of 2013? Were practices obliged to provide the data before 2013 and then were no longer obliged?

**Dharshi Santhakumaran:** There was a sample of activity data collected from 6 per cent of practices up until that point, but they stopped collecting it because SPIRE was due to be fully deployed by that stage. It is not yet, so there has been a gap in that activity data.

**The Convener:** A six-year gap.

**Dharshi Santhakumaran:** Yes.

**The Convener:** Wow. Thank you.

**Liam Kerr:** Following up on both lines of questioning, I have a straight question. Your report acknowledges that the Scottish Government is developing this approach to workforce planning but that progress is very slow. Why are we hearing about these data gaps? These are things that have been around since Alex Neil was in post.

**Caroline Gardner:** You are right. Progress has been slow. I think that the Government has recognised the importance of workforce planning for a long time. In exhibit 5 on page 20, we set out a number of the outputs that were planned and what has happened to them. Some of them were late and some are still outstanding. The first thing to say is that it is complex. We are talking about a lot of GP practices, which cover the whole of Scotland in a range of different places. As we said in our report in 2017 about the acute care workforce, there has not been enough priority placed on putting some of the building blocks in place. Why that is the case is a question for the Government. We highlight in the report that responsibility has been fragmented, although the Government is now committed to bringing responsibility for workforce planning together in one place. That is due to happen in November this year.

Data collection has often not been a priority. I know that that is something that the committee has commented on very recently. It is easy for data to look as though it is bureaucratic overhead or a bean counter's obsession. My view—and I think that of the committee—is that it is essential if you are going to know what the priorities are, where to invest your money and what you are getting for it. We are not in a position to demonstrate that yet in relation to workforce planning.

**Liam Kerr:** Do you get any sense that this will change, or would you prefer that that was a question for the Scottish Government? Are you looking at this saying, "Okay, the Government has realised that there is an issue, so the pace of change will now increase"?

**Caroline Gardner:** The Government recognises the issues. There is no doubt that the challenges are set out clearly in the workforce planning documents we have so far. As I say in the report and I said in my opening statement today, I hope that, when we see the integrated workforce plan for health and care, we will see some of the gaps addressed. There is no doubt that it will take longer to fill the data gaps, as that cannot be done immediately. A baseline needs to be set, but it is important that there are clear and urgent plans to do that.

**The Convener:** You have a lot of recommendations on data collection in your report. Has the Government accepted those recommendations?

**Caroline Gardner:** That is a question the committee may want to ask of the Government. We have been through the normal clearance process, so we have cleared it for factual accuracy, but it is for the committee to confirm whether the Government accepts recommendations or not.

**Colin Beattie:** Still chewing on the question of GPs and so on, I think that the Government says that its commitments to train additional GPs, paramedics, nurses and so on are on track. I think that you have agreed with that as far as the training is concerned. The concern is whether the numbers are high enough; what are they based on? There seems to be no real answer for that. Am I correct?

**Caroline Gardner:** You have summarised that very well, Mr Beattie. Exhibit 7 sets out the commitments that the Government has made. The commitments to train additional professionals across the piece are on track or have been achieved. What we have not seen is something that connects the commitments that were made to the number of staff who were expected to be needed and we are concerned that achieving the

additional 800 GPs will be very difficult under current circumstances.

**Colin Beattie:** Paul Gray told the committee:

“in general practice, we are now training two GPs for every one that we think we are going to need”.—[*Official Report, Public Audit and Post-legislative Committee*, 9 November 2017; c 7.]

Is that based on anything?

**Caroline Gardner:** You would need to ask the Government about that. As you would expect, we have probed very hard to understand the basis for the Government’s workforce commitments, but we have not seen anything that connects the figure of 800 to workforce need. We also know that the 800 is a head count and does not turn into the number of hours and the number of full-time equivalent GPs needed to provide care.

**Colin Beattie:** Arising from this is quite an important point relating to your previous report on NHS workforce planning. A key issue for the committee is obviously whether and the extent to which these recommendations have been implemented. Can you summarise what progress the Government has made towards implementing your previous recommendations?

**Caroline Gardner:** We have tried to summarise that in appendix 1, on pages 33 and 34 of the report. Claire, do you want to have a go at pulling out the key messages from that?

**Claire Sweeney:** It is fair to say that there are recommendations in this report that are similar to those that were made in the previous report, and there are certainly areas that still need to be addressed. We were relying on the forthcoming workforce plan to include some of the details to address the recommendations in the first report.

10:30

Even when the data is not good and is not accurate, we still expect to see a level of scenario planning around it. We have been able to do that, as Dharshi Santhakumaran said, under worst-case, best-guess and best-case scenarios. There is information to allow workforce planning to happen even when it is not good information.

The information that is available around workforce planning is better for secondary care than it is for primary care services. That has always been the case, so the Government had more of a head start for secondary workforce planning, which was the basis of the first report, than it has had for the second report, on primary care.

**Colin Beattie:** Given the importance to the Government of moving towards, or putting more NHS resources into, primary care, is progress

being made? It seems to be very patchy. Quite alarmingly, you mentioned that there is no evidence that it is the right policy, which I have not heard you say in the past.

**Caroline Gardner:** That is not quite what I said. I said that there is consensus that moving more care from secondary care into primary and community services is the right way to go for a range of reasons, not least Scotland’s ageing population and the fact that more of us are living longer with complex needs that cannot be cured through a stay in an acute hospital. The consensus is there. What we have not seen is the analysis that says, “Here is the workforce of GPs and all the other professionals who work with them that we will need in primary care to be able to do that.”

**Colin Beattie:** I am sorry—I thought that you were hinting at the possibility that it was not working.

**Caroline Gardner:** We have been saying for a while that it is not happening fast enough. The report specifically says that we do not know what workforce we need to make it a reality.

**The Convener:** I want to pick up on Colin Beattie’s line of questioning on GPs and part-time work. You said that you were not sure where the 800 figure had come from. Is 800 additional GPs too few?

**Caroline Gardner:** We know that the Government has made a commitment to have 800 additional GPs, in terms of head count, by a particular date, which the team will confirm for me in a moment, but we have not seen an analysis that grounds that figure in an analysis of what primary care will be doing at that date. As I have said, we are also concerned that a head count of 800 is likely to amount to quite significantly fewer full-time-equivalent GPs than that, so more people will need to be trained to get that equivalent because of changing working patterns.

**The Convener:** When I read the report, the thing that really struck me was the increase in the number of younger GPs who are working part time. It seems to me that there is an obvious reason for that, which is that a lot of GPs—I do not know the current percentage—are female. Especially in the age bracket that you identify, females are working part time to juggle work with childcare. I do not think that the gender issue is covered in the report, but I might have missed it.

**Claire Sweeney:** It is covered. I cannot quite recall the paragraph number, but the report mentions two issues that relate to the part-time factor. It is absolutely a gender issue in part, and the report makes mention of that. The second issue is to do with people who work in general practice who want to pursue portfolio careers,

which means that being a GP might not be the only job that they do. Again, I cannot quite recall the paragraph number, but there is an issue with the workload that GPs face every day. Feedback from various surveys indicates that that has become more onerous.

**The Convener:** For me, that is an important point. Given that we have younger GPs who, in my experience, are increasingly women, surely we should be making it easier for them to work part time, either through systemic change or by putting that in the policy arrangements. It surprises me that there is not a bit more focus on that. Is there enough focus on the part of the Government on retaining those women in the workplace? The other figure that is relevant in this area is the 26 per cent of GPs who say that they will not be practising as GPs in five years' time. I take Claire Sweeney's point that there might be a bit of portfolio working going on, but is any work being done by the Government to retain those women in the workplace?

**Caroline Gardner:** That latter question is one for the Government. However, what I would say is that the fact that we are seeing more younger GPs working part time probably reflects the fact that it is an attractive career choice for younger women doctors. They can work part time on a sessional basis, which means that they can maintain a career by fitting their work around the other parts of their life and their caring commitments in ways that are much harder to do in the acute sector. There is element of success there.

We think that the doctors who expect not to be working in primary care in five years' time tend to be the older doctors. They are the ones who are thinking about reducing their hours or leaving, partly in response to pension taxation changes, which the committee has focused on previously. Having said that, I am sure that the Government, health boards and integration joint boards could be doing more to make general practice an attractive career for doctors in general, including young doctors with parental responsibilities.

I had another thought, but it has flown out of my head, so I will stop there.

**Claire Sweeney:** The other point to make is about developing the rest of the primary workforce team so that they can support GPs to do the job that they do best. Work needs to be done to work out what the best model is to meet the needs of people locally, which will be different in different areas.

However, it is worth bearing in mind that, in general, the feedback from the public about how happy they are with general practice tends to be very positive. We have an exhibit in the report that sets out people's views on whether they can get to

see a GP or someone else in the practice when they really need to. Those satisfaction levels tend to be very high, so there is a lot that is good that is happening there. It is a case of protecting that over time as we move to new models of care.

**The Convener:** Dharshi Santhakumaran, do you have anything to add?

**Dharshi Santhakumaran:** In paragraph 21 of the report, we talk about some of the changes in working patterns, whereby younger GPs are more likely to work four to seven sessions a week, whereas the older GPs and partners are more likely to work eight or more sessions a week. We have seen a reduction in the number of GPs who are partners and an increase in the number of salaried GPs. As you say, that is partly because more women are coming into the workforce but, to a degree, we are also seeing an increase in the number of younger male GPs who want to work part time and who are less keen on taking on the responsibility of being a partner.

**Caroline Gardner:** I have one bit of detail to add. Although we say that the Government is not taking account of those changes in working patterns in its own planning, we say in paragraph 56 of the report that the integration authorities in Ayrshire and Arran have done some of that analysis. They estimate that, for every full-time GP they need to have in the workforce in future, they need to be training 1.6 GPs now. We do not know that that would apply across Scotland, but it is obviously a useful benchmark to think about in the context of the head count figure of 800.

**The Convener:** To be fair to Paul Gray, given what he said about training two GPs for every one that will be needed, that has probably been taken into account.

**Alex Neil:** I have a couple more questions on workforce, after which I will go on to pensions and tax.

Auditor General, in answer to one of the previous questions, you said that, in addition to more GPs working part time, which we think is mainly to do with the feminisation of the workforce, more GPs want to take on portfolio interests. I would have thought that that is likely to increase as we shift the emphasis to treatment in primary care rather than secondary care. My own GP, for example, as well as being a very good GP, has developed a specialised interest in chronic obstructive pulmonary disease. Do you agree that that trend—which I think has not been given proper significance even in the Ayrshire study—is likely to increase?

**Caroline Gardner:** I think so, and I think that we should be seeing more of that. If we want primary care to be able to deal with more people with complex long-term conditions such as COPD, it

makes perfect sense for GPs and other primary care professionals to work across primary care and hospitals and to follow patients as their needs change. That is why, as Claire Sweeney said, it is so important that the planning does not look just at primary care and secondary care, but looks to join that up and to bring in the social care picture, too.

**Alex Neil:** In order to get to the point at which people decide whether they want to be GPs, we must look at the pipeline before that. That starts with the number of people who apply to medical school every year. What is particularly relevant, for the reasons that Anas Sarwar outlined, is the number of Scotland-domiciled applicants, because they are far more likely to stay in Scotland than others are.

Do you have a figure for the number of Scotland-domiciled applicants to medical school who meet the entry criteria, but who are not offered a place, probably because of capping?

**Caroline Gardner:** We do not have that information here, but I am very happy to go away and find out whether it is readily available. Obviously, the committee might want to explore that with the Government.

**Alex Neil:** That would be very helpful, because that ought to be the starting point. If we do not have that pipeline, as well as not having enough GPs, we will not have enough practitioners of any specialism at the other end.

**Caroline Gardner:** For balance, we refer in paragraph 68 to some of the initiatives that the Government has put in place. There is a graduate entry medical training initiative, which is aimed particularly at primary care, and there are pre-medical entry courses, which are aimed at getting less advantaged students, who might previously not have applied to medical school, to get places.

**Alex Neil:** Absolutely.

**Caroline Gardner:** However, I think that that question is more one for the Government.

**Alex Neil:** It is interesting how many applicants who meet the entry criteria are turned down every year.

**Caroline Gardner:** Indeed.

**Alex Neil:** In paragraph 22 of your report, you say:

“Recent changes to pension and tax arrangements may have an impact on GP recruitment and retention.”

When the original tax changes were made in 2012, I raised this point with the then chancellor, George Osborne. I put it to you that there is perfectly clear evidence that these changes and subsequent changes in 2012 to the lifetime allowance and the pension scheme itself have had

a detrimental impact in three ways. Apparently, today’s *Daily Mail* reports that one in four GPs is thinking of retiring early because of the tax pension arrangements. In yesterday’s *Herald*, there was a story about somebody in the health service—not a GP, I think—who turned down promotion because if he had taken the promotion and gone into a new additional pension band, he would have been taxed so much that he would have earned less money in the promoted position, net, than he would earn if he stayed where he was. I find the use of the word “may” in that paragraph a wee bit unusual because the evidence is clear that these changes have had a detrimental impact on the availability of not just GPs but other high-level specialists in the health service.

**Caroline Gardner:** We cannot quantify the impact, but we hear exactly the same stories, anecdotes and individual experiences as you do. It applies to other highly paid public servants as well as to doctors. Clearly, there are more doctors and they can flex their working hours in ways that many other people cannot, so the impact is more visible.

However, as we have discussed previously, there is a real risk to the workforce, particularly because one in three GPs is already over 50. We know that those people are making hard decisions. My personal view is that whatever your view of the merits of reducing the amount of pension saving that can be carried out tax free, the way in which these taxes come into effect means that they are unpredictable and people do not know they have incurred a significant tax liability until they already have. That has particular behavioural effects on those who are affected.

**Alex Neil:** This is quite urgent, because the first thing that you should do when you have such a problem is to stop the rot. If we do not stop the rot of these idiotic pension and tax changes—ill-thought-out pension and tax changes, as we told the UK Government seven years ago—we will continue to see a drain of people away from the health service, not because they do not want to do the job or to stay in the job but because they cannot afford to do so.

Do you also agree that the changes are not just affecting retention and recruitment? There is clear evidence of that. I remember that when the lifetime allowance came down, a number of doctors in Glasgow approached me through the British Medical Association; there was a 40 per cent reduction in the availability of GPs prepared to do out of hours because, as they put it, “What is the point of doing out of hours? It just means we will need to retire even earlier, when we get to our 50s, because of how these pension changes and tax changes operate.”

**Caroline Gardner:** The anecdotal evidence suggests that the changes definitely affect people's decisions about not just retirement but extra work. The two common areas we hear about are out-of-hours work and waiting times initiative work; previously, people would have done additional lists in hospital to bring down waiting times, but they are less likely to do that now. Mark Ferris may want to add something.

10:45

**Mark Ferris:** Just to clarify, we said "may" in paragraph 22 because we were looking at two elements: the pension arrangements that you refer to—both the annual allowance and the lifetime allowance; and the tax arrangements for GPs as employers. As the committee is aware, the UK Government has increased the pension contributions by six percentage points, from 14.9 per cent to 20.9 per cent. We understand that the UK Government and the Scottish Government are putting in funding to cover that, which is why we had that "may" in the paragraph, to differentiate between the pension arrangements and the tax arrangements for GPs as employers.

**Alex Neil:** That funding will help, but it does not solve the problem.

Finally, do you agree that the net effect of this has been to increase costs to the NHS? There is a pattern that I think you can prove—for example, GPs who are retiring early may retire from a practice on the Friday and then they often reappear in the practice the following week, perhaps doing three days a week as a locum instead of doing five days a week as a full-time GP. Locums are paid nearly twice the GP daily rate and of course they do not contribute to the pension scheme; they left because the pension scheme had run out of tax allowance. We then end up spending twice as much on these locums as we were paying them the previous week before they retired because of the pension scheme.

**Caroline Gardner:** It is absolutely clear that the moves over the past few years to reduce the available amount of tax-free pension savings have had unintended consequences. Those consequences are most visible and probably most severe in the health service and among doctors and GPs because of their working arrangements. It is a classic example of the importance of joined-up policy making.

**Alex Neil:** Absolutely.

**Bill Bowman:** To go back to the issue of part-time working—and excuse me if I have missed some of the background—do you have detailed analysis of the 25 to 49 age group, the number of women within that group and the number who are working part time because of childcare?

**Caroline Gardner:** One of the problems is that we do not have that detailed analysis. One of the messages of the report is that we do not have good enough information about the make-up of the primary care workforce and what people are doing. Our information is based on surveys. The information on that topic comes from the primary care workforce survey data and the survey was last carried out in 2017.

**Bill Bowman:** What sort of survey is it and what sort of reliability would you place on that data?

**Caroline Gardner:** Dharshi Santhakumaran is the expert on this.

**Dharshi Santhakumaran:** It is a voluntary survey, so the response rates vary. The response rate in 2017 was about 87 per cent, which is quite high, but in 2015 it was lower, at about 50-something per cent. That makes it difficult to get reliable trend data from the survey. There are national estimates—exhibit 3 in the report sets out the whole-time equivalent numbers, which are based on estimates from the workforce survey. We expect the requirement for practices to submit data as part of the new GP contract to include the data that was previously collected through the survey. The data should therefore be more comprehensive because all practices will have to submit that data.

**Bill Bowman:** Do you know how many people are working purely part time and do not have portfolio careers, doing other things in the health service?

**Dharshi Santhakumaran:** We do not know that.

**Bill Bowman:** Presumably, a part-time person is required to be the same standard as a full-time person, in the sense that you cannot get a part-time qualification.

**Caroline Gardner:** The training and registration requirements are the same.

**Bill Bowman:** Does the Scottish Government see that there is an opportunity to get more resource into the health service through persuading part-time people to step up their hours a bit? I would have thought that that would be the easiest way to get more resource.

**Caroline Gardner:** It may be one possible response to the issue, but the available survey data—in terms of the numbers and the feedback gathered in surveys such as the General Medical Council survey of trainee doctors—suggests that the new generation of doctors are keener on working part time than older GPs have been. That could be for a number of reasons; it could be partly to do with more women training as doctors and also to do with doctors being generally more open to sharing parental responsibilities, which

means that younger fathers are taking parental leave or working part time. Working as a GP has traditionally been a way of working as a doctor that lends itself to part-time working, so it attracts people for whom that is a benefit.

**Bill Bowman:** Clearly, there is a gap in the data, as you have said. We comment—and you comment—on data. How do you run a national health service without data?

**Caroline Gardner:** As the committee knows, we have repeatedly made the recommendation about improving the data. We have repeatedly said that data about the primary and community care service is much less good than the data about the acute sector, partly because, in the past, GPs have generally not been employed directly by health boards—direct employment has been quite rare—and partly because the arrangements for collecting data have changed over time and have not been adequate.

**Bill Bowman:** I would have said that data has been collected with difficulty or badly, but perhaps you do not want to comment on that. Thank you.

**Willie Coffey:** I have only a couple of questions, Auditor General, one of which follows on from Colin Beattie's question about past recommendations. You and members know that you spend a lot of time producing reports and making recommendations, which are generally pretty well accepted by the agencies that you refer to, including the Government. We like to follow things up and try to find out whether they have been done. I refer to appendix 1. I do not know who responded to the recommendations and stated the progress that has been made against them, but I find the words a little vague and waffly. Are you satisfied about the progress that is being made against the recommendations that you set out in July 2017?

**Caroline Gardner:** The words in appendix 1 are ours, and they reflect the fact that it is hard to see progress in some areas. We have been told that things are under way, but the output is not yet visible and clear to us. As we have said throughout this session and in the report, it is critical to get things right if we are going to achieve the Government's vision for the health and care system in future. It feels that urgent, focused collection of that data and using it to plan is not optional now; rather, it has to happen soon.

**Willie Coffey:** One of your recommendations was that NHS boards should

"Improve the accuracy of budgeting for agency spending."

The progress report on that says:

"An analysis of financial performance report data for the NHS in Scotland in 2018 found that 12 of 14 boards overspent against their pay budget."

Is that enough to give us the assurance that we need about more accurate budgeting for agency spending?

**Caroline Gardner:** It is clear that that is an area in which progress has not been good enough. If boards were not overspending their pay budgets, we would think that they had better budgeting and better financial control in place. That said, as Mr Neil's question suggested, if there are vacancies that are hard to fill, boards sometimes do not have any option but to pay for agency and locum staff. Therefore, there is a vicious circle that can be broken only by starting at the back end and knowing how many staff need to be trained and in place. That is why that issue is so important.

**Willie Coffey:** My second question is about the public engagement side of the whole service redesign for primary care. A couple of members have touched on that. Are you happy that sufficient progress is being made on that? I think that Claire Sweeney said that there is good progress—that can be seen in the exhibit on page 17 of the report. Have the public been with us at an early enough stage during the whole service redesign? Could that have been achieved sooner? Is there anything to be said for the variety of methods that the public have to use to engage with GP practices across Scotland? The methods are very different. Sometimes people can phone and make advance appointments; sometimes they have to phone at a particular time; sometimes they can make appointments online; and sometimes they can turn up in person. Do we need to make the approach a bit more consistent to be able to drive a national message about getting public engagement in that type of service?

**Claire Sweeney:** We thought quite long and hard about where the responsibility might lie for improving engagement with the public. In truth, I think that it sits in various places. There is something to be said about national engagement on some of the issues. We know—we said this in paragraph 33 of the report—that three quarters of people who were surveyed were likely to accept an appointment with somebody who was not a GP if they understood more about their role. That is quite a powerful message, and the message is that the public are open to that. We know that, where that happens, there is often good feedback about how it works for the public. The question has to be: how do we help the public to understand what the options might be?

I would go a bit further than that. There is something interesting about how the integration authorities, the Scottish Government and NHS boards work with local communities to understand what their needs are and how they might best be met. There are doubtless some things at the national level, but there is an important message

about engagement with local communities and what works for them. What works in an island board would be very different from what people need to have in place in the central belt, for example. The conversation about that needs to happen more often.

**Willie Coffey:** We know that the Scottish Government is “developing its approach”. Do you have any idea about when we will see the details of what the thinking is?

**Claire Sweeney:** No. We have had an interest in that for quite a while. We recently published some work on community empowerment, which talked about the need to engage with communities in a deeper and better way across the public sector. We will want to keep following up the progress on that, but we know that there is a lot more to do in respect of the health and care system.

**The Convener:** Auditor General, I was very interested in data in the UK Foundation Programme’s “Career Destinations Report 2017”, which I shared with you a few months ago. That report covered where doctors go on to work once they have completed their training. As you will remember, some of the figures for Scotland are quite startling. Let me remind you and the committee of them.

In 2017, across the UK, an average of 5.4 per cent of doctors completed their training in the UK and then left the country. So the Government invested money in training them and then lost them to other countries. In Scotland, the rate was around double that, at 10.5 per cent.

I have had a look at the report for 2018—I do not know whether you have had a chance to look at it, as well. The figures have shot up again and are really quite stark. The percentage of foundation year 2 doctors who left Scotland after their training was 17.5 per cent. That is once the Government had paid fully for their training. They were qualified, and then they left the country. That is nearly one in five doctors. That is broken down per medical school. In Aberdeen, the figure shot up to 20 per cent from 10 per cent the year before. In Edinburgh, the figure was 13 per cent in 2017, and it shot up to 21 per cent—that is more than one in five. The figure for the University of Glasgow medical school went from 14 per cent to 18 per cent.

Can we get hold of similar data for GPs? As you know, I am extremely worried by those trends. The taxpayer is putting all that investment into training doctors, who, it seems to me from UK data that reflect Scotland, are leaving the country at an increasing rate. Can we get that data for GPs, or is the Scottish Government simply not collecting and

publishing that because it is so shocking for Scotland?

**Caroline Gardner:** The work that I referred to earlier that NHS Education for Scotland is doing to pull together all the information about medical training and the medical workforce on to a single platform should be able to provide that sort of data in future. We are not there yet, but NHS Education for Scotland should be able to break the information down between the different training specialties and the different destinations for people.

I agree that the numbers of doctors who leave after training are eyebrow raising. In the report, we refer to the Scottish graduate entry medicine programme, which is specifically intended to train doctors who already have a degree in another subject in primary care. It is associated with a bursary and a requirement for doctors to repay that bursary if they do not continue to work in Scotland for a period after they qualify.

There are questions for the Government about its thinking on training and support for medical students, and it would be appropriate for the committee to ask the Government and perhaps NHS Education for Scotland for their views on that, as well.

As far as I am aware, we do not have the figures for GP training in Scotland.

**Dharshi Santhakumaran:** We do not currently, but the data platform has access to a new database called UKMED—the UK medical education database—which should provide a lot more detailed information to follow doctors through their training and on to whatever they go on to after that.

The foundation programme has some information about the percentage who are appointed to GP training following their FY2 year. I think that I am right in saying that there was a bit more variation in the percentage who were appointed to GP training in the UK compared with doctors as a whole.

11:00

On the Scottish medical schools, there was quite a wide variation in respect of people from Edinburgh, for example, who went on to be appointed to GP training as opposed to people from Aberdeen. I think that the message was not as clear or as stark for those who went on to GP training, but we will need to look at what comes out of the data platform to see that in more detail.

**The Convener:** The key thing that shocks me is the amount of investment that we are putting into training doctors who are leaving the country at an increasingly alarming rate.

I go back to the point about data. If the UK foundation programme and the UK NHS can collect that data, why on earth can we in Scotland not collect similar data that give us an impression of what is happening, how we spend public money, and the return that we get on our investment?

**Caroline Gardner:** That is the central question that is raised in the report and the previous report on workforce planning. That is a huge amount of the investment of public money and it is central to the NHS being able to meet the needs of Scotland's people in future. We need to know what is happening to the doctors whom we train.

**The Convener:** I have a final point on GPs. You heard the figures that I gave. From the evidence that your team has gathered and that you have seen, do you think that the attrition rate for GPs is as high as that for FY2s, or do you think that GPs are more likely to stay in Scotland, as they have chosen that career and that it is maybe a more home-based career, than hospital doctors, who can go over to Sydney, are?

**Caroline Gardner:** We cannot give you a clear answer on that. My hunch is that it will be more extreme for acute doctors for exactly the reasons that you have just outlined. We know that many doctors are attracted to general practice because it is more flexible for their personal lives and because they are committed to serving a practice that is full of patients over a longer period of time. However, we do not have the numbers to give you that assurance either way at the moment.

**The Convener:** Okay. Thank you. Do members have any further questions?

**Colin Beattie:** One thing has not really been touched on. I refer to exhibit 6, on page 22 of the report. It states:

"Responsibility for planning the primary care workforce is fragmented."

How can that issue be addressed? Is the Scottish Government providing any leadership and co-ordination on that? It is clear that fragmentation is not good. How is that impacting?

**Caroline Gardner:** We can finish on good news, which is always nice. In paragraph 45, we said:

"The Scottish Government intends to create a revised structure"

that brings those responsibilities together and that it expects to have that in place by November 2019. Up until now, I am sure that it has made pulling the planning together and doing it well more difficult. There is now a commitment to bring the responsibilities together.

**Colin Beattie:** That is good news.

**The Convener:** As there are no further questions for the Auditor General and her team, I thank them very much for their evidence. I now close the public session of the meeting.

11:03

*Meeting continued in private until 11:24.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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