



OFFICIAL REPORT
AITHISG OIFIGEIL

Finance and Public Administration Committee

Tuesday 30 November 2021

Session 6



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FINANCE AND PUBLIC ADMINISTRATION COMMITTEE
12th Meeting 2021, Session 6

CONVENER

*Kenneth Gibson (Cunninghame North) (SNP)

DEPUTY CONVENER

*Daniel Johnson (Edinburgh Southern) (Lab)

COMMITTEE MEMBERS

*Ross Greer (West Scotland) (Green)

*Douglas Lumsden (North East Scotland) (Con)

*John Mason (Glasgow Shettleston) (SNP)

*Liz Smith (Mid Scotland and Fife) (Con)

*Michelle Thomson (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

John Swinney (Deputy First Minister and Cabinet Secretary for Covid Recovery)

CLERK TO THE COMMITTEE

Joanne McNaughton

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Finance and Public Administration Committee

Tuesday 30 November 2021

[The Convener opened the meeting at 10:16]

Public Service Reform and Christie Commission

The Convener (Kenneth Gibson): Good morning and welcome to the 12th meeting in 2021 of the Finance and Public Administration Committee.

The first item on our agenda is to take evidence from the Deputy First Minister on public service reform and the Christie commission. Members have received a background paper from the clerks. Mr Swinney is joined today by Scottish Government officials Laura Turney and David Milne. I welcome our witnesses to the meeting and invite the Deputy First Minister to make a short opening statement.

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): I welcome the committee's interest in the Christie commission and the issue of public service reform. In this 10th anniversary year of the commission's report, it is timely to reflect on its continued strategic, ethical and practical relevance and on what has been achieved.

In 2011, the Christie commission report set out a clear approach for how we could address the long-standing challenges of aligning our budgets across outcomes and making real-world impacts on people's lives. The report set out key and aspirational principles for how public services needed to be shaped and delivered in the future in order to meet the expected financial, demographic and other pressures.

When our Government responded to the Christie report in September 2011, we worked with those principles and built a long-term commitment to public service reform, which was underpinned by the pillars of preventing negative outcomes, working in partnership, outcomes-based performance, making the most of our people, including front-line staff and communities, and, more recently, an emphasis on place.

A range of progress has been made since the report was published. The ambition, the commitment and the principles continue to live large in the minds and actions of those of us in public services across national and local

government, public services and the third sector. A decade on, the term "Christie" remains the common language of reform and has been a cornerstone of our collective reflections on the experience of the pandemic, as it continues to help to provide direction and inspiration for what we now need to do to address these issues.

The ambition is huge and we can point to many examples of reform in action. Although those examples include some structural reforms, the impact of Christie has been more evident in influencing and reshaping how both national policy and local service delivery have been built on improving outcomes and making a tangibly positive difference to people's lives.

We regularly see some or all of the pillars of reform featuring as ingredients in how policies and services are shaped and implemented. However, despite the many examples that we can point to, we have to ask ourselves why reform is not yet as deeply embedded at the heart of policy making and service delivery as it needs to be, and not yet as systemic as I would like it to be.

As the committee's previous witnesses have said, to make a concerted shift to reform is challenging for many reasons. A key point is that, during the pandemic, we saw in some places that barriers were transcended, and traditional and embedded ways of developing policy and delivering services were revised abruptly and swiftly. We perhaps need to do more of that kind of work in the period ahead.

The committee will have heard me say this often—it is a critical point—but we need our public services to wrap around what matters to people and to be person centred, holistic and responsive to their needs, instead of expecting people to fit around what public services offer and to navigate complicated systems from positions of vulnerability and need. Such an approach is not straightforward—in fact, it is difficult and time consuming—but I am mindful of the observations and insights of your previous witnesses with regard to tackling this issue.

The challenge is as pressing for us in the Scottish Government as it is for other public services. When I assumed my current responsibilities after the election, the First Minister asked me to ensure that we as a Government worked across policy boundaries to secure policy solutions that could transform lives. That requires the Government to shift our thinking from portfolio-based to people-based solutions and, in the process, to work across the organisation on common challenges and to break down traditional policy silos. In other words, we need to build bridges, not erect walls, in policy making. We need to respond to problems as they present

themselves to us, instead of reframing them to suit our structures and processes.

Our approach to Covid recovery has aimed to embody that way of working. Our Covid recovery strategy is built on the three priority themes of ensuring financial security for low-income households; good green jobs and fair work; and wellbeing for children and young people. However, those themes cannot be pursued in isolation, and success is contingent on working across silos and policy ambitions and building on the interconnections between them.

The kind of Covid recovery that we want goes beyond neutralising the negative impacts of the pandemic towards tackling complex and deep-rooted inequalities that too many communities in Scotland have experienced for generations. If we are to make that difference, our public services need fundamentally to work on what matters to those people and communities.

The Government's commitment to Christie's vision and public service reform remains strong, but making Christie a reality requires a collective national endeavour. I am committed to making that happen in the years to come.

The Convener: Thank you very much for that opening statement. You have actually covered many of the areas on which I was going to ask questions, so I will just ask about a number of issues that follow on from them.

The Christie commission followed soon after the passing of the Public Services Reform (Scotland) Act 2010, which means that a decade has elapsed since both. You said in your opening statement that there are many examples of reform that have made a tangible difference to people's lives, but can you touch on one or two of the most significant examples in that respect?

John Swinney: There are a number that I can choose from, but I will highlight some that reflect different elements of the reform programme.

As far as structural reform is concerned, it is my firm belief that reforms such as the creation of a single police service and a single fire and rescue service were necessary and have provided both services with significant additional resilience, capacity and effectiveness across the country. Moreover, our reforms of policing in particular have attracted international commendation as being appropriate to the changing nature of the policing challenge that we face.

As for policy reforms that have been consistent with the work of Christie, I would cite the two very significant expansions of early learning and childcare, which have been about recognising the importance of early intervention in the lives of children and young people to ensure that they

have the best possible platform for success. With those two significant expansions, culminating in the move to 1,140 hours of funded early learning and childcare in August, we have put into practice the principle of early intervention to ensure that children are given the best platform for their lives.

Thirdly, I would cite a reform such as the emergence of the young persons guarantee. There is a range of employment and training programmes and we recognise that each one of them individually has a justification and arguments for its existence, but what has been demonstrably proved to be the case is that, if you provide young people with a route that enables them to progress from school to whatever field lies beyond school—whether it is work, college or further training—the outcome is that we do not lose those young people from the labour market and we enable them to make a positive contribution to society. Again, that is a policy reform that is about improving outcomes as a consequence of the way in which we design programmes.

Those are three examples, and I could list more.

The Convener: Thank you. That is helpful.

You will have read the *Official Report* of the meeting that we had three weeks ago at which we took evidence from three academics who expressed some frustration about areas where progress was not being made. One of those areas was preventative spend. The Scottish Government's response to the report of the Christie commission says:

"we will reform our public services through: a decisive shift towards prevention; greater integration at a local level driven by better partnership; workforce development; and a sharper, more transparent focus on performance."

However, those academics were of the view that that really has not happened. There are strong reasons for that. It is difficult, particularly in financially challenging circumstances, to encourage organisations to disinvest in one area in order to invest in another, but the academics were of the view that there does not even seem to be a definition of what prevention means in the Scottish public sector.

How can we take that crucial area forward and deliver the culture change that, 10 years ago, when you led on this issue, we all agreed was very important in changing attitudes and ensuring that prevention delivers for the people of Scotland?

John Swinney: I do not agree that the idea of prevention is not well understood or well applied. I think that the principle of prevention is clearly understood. I have given the committee the example of early learning and childcare. I think that it would be widely if not universally accepted that early provision of formal engaged learning and childcare opportunities for children is to the

advantage of those children and will give them the best start in life. That is an example of a programme that has been delivered, and our local authority partners have been 100 per cent joined at the hip with us on the implementation of that programme. Once we agreed the financial arrangements, there was full-on co-operation. I think that that has been a universally accepted policy approach. That is one example of prevention.

Another example that I would give is in the field of youth justice. Ten years ago, we were seeing high numbers of young people going through the youth justice system, being prosecuted and ending up with damaging criminal records. Essentially, our justice colleagues—not just in the Government; this was a whole-systems approach involving community justice authorities around the country and a range of third sector organisations—deployed early intervention. The work of organisations such as the Scottish Violence Reduction Unit, for example, was supported to ensure that we made the earliest possible intervention where we saw young people proceeding in a direction that was going to lead to damage to society and, crucially, to their own wellbeing.

Over the period between 2008-09 and 2019-20, there was an 85 per cent reduction in the number of 12 to 17-year-olds who were proceeded against in Scotland's courts. Why? Because we have put in place earlier intervention to avoid the situation becoming so aggravated that it would merit someone going to court. For me, that is probably one of the best examples. There will be young people among them who can make a contribution to our society, but they have faced difficulties and potentially got themselves into trouble at some stage. To be blunt, a different approach from the state has resulted in those young people being able to make a more positive contribution to society than would have been the case in the past. That is about putting the principles of the Christie commission into practice in an operational way.

10:30

The Convener: I do not doubt for one minute that there have been remarkable successes, which you have detailed, but what about areas in which cultural change does not seem to be happening to the same extent? How uniform is the cultural change?

I will give one example. A decade or more ago, there was concern about the high proportion of national health service spend that was going on older people who were being treated in hospital but who did not need to be there. We are talking about around £1.5 billion at that time. Obviously, we have had a pandemic and things have

changed, but where are we in trying to change the cultural approach in areas such as the NHS? You may recall that there was resistance from health boards in that area. They said that, unless they got more money, they could not change the way in which they did things with the resources that they had. I am aware that you allocated £500 million over three years specifically to preventative spend at the time. How can we ensure that some of the remarkably successful examples that you have given can permeate the entire public sector in Scotland?

John Swinney: In my previous answer, I should have said for completeness that there will be areas that are much harder to penetrate than others. I have given some examples of where cultural change has happened. There are other areas that are more challenging.

One of the problems is that I could sit here and give a litany of examples of good practice, but I would struggle to say in all of them that they were systemic approaches. They might be good examples, but I am not sure that those approaches are happening everywhere.

That brings me to my response to your question about the appropriate care for individuals. I think that we have made very good progress on ensuring that people receive the care that is appropriate for their needs, but I live in the real world and I know that we currently have around 1,400 to 1,500 people who are experiencing delayed discharge in our hospitals. I do not think that that is because anybody in health and social care partnerships around the country is taking any view other than that they are keen to ensure that people who are in hospital and could be accommodated at home with a care package are able to be. They often face practical challenges in doing that. Some of those practical challenges might be to do with the availability of money. There may not be enough money to afford all the social care packages that we would want to afford at the local level because resources may be tied up in the more acute hospital settings.

Actually, I do not think that that is the problem that we have just now. As I have explained to Parliament on a number of occasions, the problem that we have just now is the availability of staff to deliver social care packages in communities. There are simply not enough available people on the ground to do so.

We got a leaflet in the mail to my house yesterday from a much-respected local care provider that invited people to come forward to join its social care staff. We have never had such a leaflet through our door before. That indicates the lengths to which care providers are going to try to encourage people to join the labour market

because of the acute challenges that are being faced.

I go back to a point that I have just made. There will not be a health and social care partnership in the land that believes anything other than that an individual should be accommodated in the most appropriate setting for them. If a care package in the individual's home is the most appropriate approach, the health and social care partnership will want to provide that. However, there will be practical impediments to their ability to deliver that, and the most important practical impediment just now is the availability of people to deliver social care in our communities.

The Convener: Absolutely. Demand is clearly increasing much faster than our ability to provide services. Apart from anything else, people have to be trained. We cannot just magic professional caring staff out of nowhere.

Does that not make it even more important that we have the right conditions to support change, meaningful collaboration and innovation? How do we incentivise that in the public sector? I know fine well how it was incentivised in the private sector, as I worked in it for many years, but how can we make it happen? You touched on early learning, but it is supported by additional funding from the Scottish Government in resource and in capital, which makes change much easier. However, in areas where we are in difficulty such as this, with the perfect storm and exhausted staff—and it does not help with recruitment when the media continually focus on how exhausted and worn out NHS staff are; I do not know how that encourages people to go into that service—how do we make the change that we need if we are not to be in the same situation next year and in subsequent years?

John Swinney: Philosophically, we need to encourage organisations to follow one of the principles of the Christie commission—the principle of partnership and collaboration. There are various ways of taking forward an agenda of public service reform and one approach could be structural change. We have used that option in certain circumstances.

In other circumstances, a route could be taken around the theme of partnership and collaboration whereby we establish the atmosphere and motivations to encourage different public sector organisations that need to work together to do so effectively to meet the needs of individuals. As an example of that, some time ago I visited the team at Perth royal infirmary, which serves my constituency. A joint team of health and local authority staff work in a rather small room in Perth royal infirmary and they focus on intelligence coming from the hospital about who is almost ready to be discharged. They then work out

between them the timescale and circumstances for that individual's discharge and the necessary support within the community.

That, to me, philosophically brought to life what I am talking about here—public servants from two different public bodies working together in collaboration, focusing on individual cases, and working out how best to ensure that those individuals have a smooth journey out of hospital into their own home, and that they are well supported as they recover.

The route that was chosen there was collaboration, but a different route could have been chosen. Structural reform could have been undertaken, for example. However, encouraging public servants to focus on the delivery of the best possible outcomes for members of the public is a strong incentive.

The Convener: How frustrating is it that best practice is not shared as much as it could be? For example, the previous parliamentary session's Local Government and Communities Committee found that the level of sickness in the best local authority was only one quarter that of the worst. They were both Scottish National Party-controlled councils, by the way, so we cannot make a political argument about that. Given the size and scale of Scotland, is it frustrating that strong methodologies that are in place are not being looked at, copied and implemented elsewhere so that we can take things forward in a much more positive way with the limited resources that we have?

John Swinney: It is frustrating, and it is difficult to justify why that is the case. That applies to examples of not only innovation but routine service improvement, when relatively straightforward steps could be taken to improve performance but are not widely taken by all public authorities.

We take a number of steps to address that. For example, our work through the Scottish Leaders Forum is designed to bring together public authorities to enable them to learn lessons and improve performance. There are organisations in the national health service that are designed to deliver improvement across all boards. Local authorities have collaborated to establish the Improvement Service, and they draw on the lessons from it. The Government funded the What Works Scotland venture, which was designed to apply academic analysis to work that was undertaken to implement the Christie commission recommendations and to share that learning more widely across public sector systems so that organisations can tap into it.

As you will appreciate, ministers have—understandably—more or less influence in certain areas of policy and delivery. Ministers do not have

operational control of local government, so it is for local government, through democratic decision making, to decide how to respond to such challenges. With other public bodies, such as health boards, ministers have much more direct opportunity to place obligations on them to perform.

The Convener: I have one last question before I open up the session to colleagues around the table. Three weeks ago, our witnesses said that there is an opportunity in the wake of Covid-19 to empower and better resource communities. What does empowering communities mean to the Scottish Government? Does it mean empowering, within communities, small groups of those who tend to be active in community councils and elsewhere? How do we involve people more widely? Participatory budgeting has been a step forward, but what does community empowerment mean to the Scottish ministers?

John Swinney: It is about supporting communities to enable them to intervene and act effectively in their areas. That support varies around the country.

During Covid, a local hotelier in my constituency established an organisation called Feldy-Roo—incidentally, a local resident phoned him up one day and said, “I’ve just had a leaflet from Deliveroo—I think they’ve done something with your name,” which is an interesting way of looking at it. Feldy-Roo did not exist before Covid—it was set up by an individual named Gavin Price, who owns a couple of hotels and bars. He had kitchens, and there were vulnerable people in Aberfeldy who needed hot meals, so he got a squad of people together. By accessing financial support from different bodies, they created a mechanism that went on throughout Covid and delivered free, good-quality hot meals to vulnerable individuals in the community.

Such fine-grain intervention is absolutely welcome, and it comes about because people feel that they can do something to make a difference. Gavin Price was not asked to do what he did by the local authority, although it encouraged and supported the initiative. There are countless such examples around the country in the Covid space and in other spaces, too.

10:45

The Scottish Flood Forum supports a lot of organisations at a local level by providing early intervention for householders in relation to flooding incidents in communities. It works with local authorities and resilience partnerships but has decided to take the initiative so that it can actively support communities.

For the Government, community empowerment means making sure that people are enabled and supported to advance on propositions of that nature rather than us designing an elegant system of governance that—I venture to suggest—would not do much else to have a practical effect on people’s lives.

The Convener: Community involvement is important. I was at a public meeting a week past Saturday in Lochranza; its population is 120 and 75 people were at the meeting. I open up questions to colleagues.

Liz Smith (Mid Scotland and Fife) (Con): I will ask questions about the answers that Mr Swinney just provided to the convener. I will build on a comment that Professor James Mitchell made at the committee’s meeting on 9 November. He was clear that there was a lot of good will across the political spectrum for the Christie commission but, 10 years on, we are still asking why it has not all come together. Stephen Boyle, the Auditor General, said in that evidence session that leadership in the public sector is in some cases not held sufficiently accountable for its decisions. Will you comment on that?

John Swinney: I certainly do not feel any lack of accountability, and I do not think that many other people feel a lack of accountability. There are multiple accountability streams in our systems. Ministers are accountable to Parliament, members of Parliament are accountable to their electorates and the electorate make their choices—they made one on 6 May. Local authorities are accountable to their electorates, and health boards are accountable to ministers and through annual public meetings in their localities, so there is no lack of accountability.

One of the Auditor General’s relevant points on accountability was that some of the channels, requirements or measurements of accountability that we have might not be helpful in achieving the Christie commission’s aspirations. The convener asked me about a discernible shift of resources to support prevention. If the accountability mechanisms are in place to monitor and assure performance on aspects of public service delivery, it is difficult for public servants to move away from those mechanisms to something else, because there will be continued pressures on the existing accountability mechanisms.

Liz Smith: If those accountability mechanisms are in place, are they working sufficiently well? Do some processes of accountability need to be reformed?

John Swinney: There can be a conflict between some of the existing measures of accountability and—[*Interruption.*] Some of the waiting time targets, for example, can dictate a

particular performance, and not having them might lead to another focus or other opportunities. That is one example of where the question might be relevant, but we have to be certain and satisfied that our accountability mechanisms are appropriate to deliver the approach and performance that we want to achieve.

Liz Smith: That raises an interesting question about how appropriate it is to set national targets. If a Government has made commitments on specific targets—we have all been guilty of talking in terms of targets—does that take away from the ability to home in on other areas of measurement and improvement that might deliver aspects of what the Christie commission recommended?

John Swinney: I do not think that that stops the focus on performance in general, but it might be an obstacle to generating the necessary shift in activity or focus to enable that. There can be a mismatch between the things that we measure and the things that we want to achieve, which are often two different things.

Liz Smith: One thing that struck me during the first wave of Covid was how magnificently well our hospitals responded to the intense pressure that was on them. I heard more than once that that was down to the fact that doctors and nurses were taking the front-line decisions about how the Covid wards had to be organised, rather than some of the people who are normally associated with the administration of health services. That is particularly relevant to the running of Scotland. To what extent do we need to move towards a system of accountability that is more in the hands of the people who run the front-line services, rather than those of the people who administer services?

John Swinney: There are a number of dimensions to that question, and one that we cannot ignore is Parliament and political debate. I cannot control what members of Parliament raise as the issues that concern them and which they want to pursue, but I sit and listen to questions and debates in Parliament daily and, to be frank, I hear members railing against what Liz Smith just put to me as a question. Members want ministers to be taking or accountable for such decisions. It is all very well to put forward the argument that we should empower the front-line professionals but, in parliamentary questions and debates, members of Parliament take a completely opposite approach.

I can give an example from my five years as education secretary. One of my biggest priorities was to encourage and support a much greater empowerment of schools and headteachers in our communities, but that did not stop members of Parliament pressing me about the performance of the education system across the board—including, if I may say so, the former Conservative education spokesperson, whom I respect and admire deeply.

There is a conundrum, which Parliament must resolve, about what Parliament thinks is important and should be the subject of scrutiny.

Liz Smith: The argument is really interesting. During our evidence session on 9 November, we discussed with Professor Mitchell and the Auditor General the question of trust. These days—this is not a party-political point—trust in politics is not easily found, yet the public want to have a level of trust in the people who deliver their public services, whether that is education, health, transport or whatever it might be. Politics is not in a good place at the moment—partly because of the Covid situation, which is obviously nobody's fault at all—and it is hard to find the same degree of trust as we previously had in systems and, dare I say, in politicians.

At the core of the debate is the extent to which we can improve the level of trust if the lines of accountability are proven to be pretty watertight and if people understand why decisions have been made and what they can do to ensure that those decisions are the right ones for delivering their public services. Do we need to foster that debate?

John Swinney: I do not really accept the premise of Liz Smith's question on trust in our public services and the political system. Long-standing, reputable surveys of public opinion and principally the Scottish social attitudes survey—some of the witnesses who gave evidence three weeks ago will be well familiar with it—show strong and high levels of trust in public services and the system of government in Scotland. That trust is at high levels—much higher than in the rest of the United Kingdom.

An important question is how we ensure that there is a clear understanding of the rationale for decision making in the delivery of public services. That takes us into difficult territory. In my years, I have sat through tricky discussions about the delivery of healthcare, for example, when the rationale for making a change in the delivery of a service has been explained from a clinical perspective and makes strong, rational sense but conflicts with how that has been done in the past and how people feel about location-based services. Such discussions are very difficult. The answer to that is to ensure good, clear and engaged processes.

The last point that I will make—I should have said this in response to Liz Smith's earlier question about the role of professionals—is that any decent public sector organisation should be listening and responding to its front-line professionals. If someone who is running an accident and emergency department says, "Look, it would be better if we organised it this way, rather than that way," I as a public sector leader would be hard pressed to say, "I think I know better than you do."

All organisations should listen to their front-line people.

John Mason (Glasgow Shettleston) (SNP): I will continue that theme. You gave the example of Aberfeldy and the good things that are happening there. There is tension between local empowerment, which was a Christie commission principle, and the idea of uniformity and the criticism that there is a postcode lottery. In your final example, accident and emergency staff in Glasgow might do things one way, while in Edinburgh or Aberdeen they are done differently. Can we square that circle, or is it inevitable that some people will say that things are too centralised and others will say that there is a postcode lottery?

John Swinney: There are fundamental conundrums that are difficult to resolve; one person's local flexibility is another person's postcode lottery. It is as blunt as that. That relates to the point that the convener put to me. I struggle to get my head around why one would resist change when faced with robust evidence that what is being done could be improved by following the example of what is being done in another locality. If another locality demonstrates that it can get a better outcome by doing something in a particular way, why resist that?

To be fair, I note that many public sector organisations learn a lot in that respect. However, if discernible and evidenced progress is being made somewhere but others are resistant to change, that needs a wee bit of challenge.

John Mason: Yes—although I presume that, although Shetland might learn some things from Greater Glasgow and Clyde NHS Board, it would not follow everything that that board does.

John Swinney: No.

John Mason: Another area that was covered by the Christie commission was working together effectively. Out of that came the integration joint boards and health and social care partnerships. I asked witnesses at the meeting on 9 November this question. From my perspective, it seems that we used to have two bodies and we now have three. I used to go to either the health board or the council with a case, whereas I can now go to the health board, the council or the health and social care partnership. Does that system work? Has the creation of another organisation been a good or bad example of working together?

11:00

John Swinney: That system is beneficial because it creates the space for focused discussion of the needs of individuals. One of the big lessons that I have learned in my political life,

especially in my life as a minister, is that cases hardly ever fit neatly into one single compartment. If Mr Mason has a constituency case, as I have had, that does not fit neatly into the health board compartment or the local authority compartment, the health and social care partnerships have the structure and the ethos to focus on the needs of individuals and to find solutions for them. Many practical impediments will exist in resolving issues; that third organisation provides the necessary focus.

John Mason: Are you, therefore, positive about the health and social care partnerships?

John Swinney: Yes.

John Mason: Okay.

The third area that I want to touch on, and which you have touched on, is the idea of getting Parliament—committees and the chamber—to sign up to the idea of preventative spend. The emphasis on accident and emergency departments, ambulance waiting times and other such things is understandable but goes against that idea. The temptation for, or the pressures on, the Government to put more money into A and E are exactly the opposite of preventative spend. Is Parliament partly responsible for the lack of movement towards preventative spend?

John Swinney: There has to be a balance in all those considerations. There is a necessary place and purpose for accident and emergency services to operate in a highly efficient fashion, because that will deliver the best patient outcomes. The challenge is to ensure that the system works more effectively, so that people are able to get accident and emergency services quickly when they need them. Although we support vibrant and effective A and E services, we also have to have effective social care packages to avoid cases ending up in A and E unnecessarily because no social care package was available for the home.

The lesson is that we need to consider the questions on a whole-system basis. When I was questioned about the Scottish Ambulance Service and answered for the First Minister a few weeks ago, all my answers were about the fact that the challenge is a whole-system challenge. It is not just about the compartment that we call the Ambulance Service. What goes on in a range of other compartments in our public services affects the Ambulance Service compartment. Collaboration and co-operation of the style for which the Christie commission argued are central to resolving some of the more high-profile questions, such as ambulance and A and E waiting times.

John Mason: I agree with much of that. I suppose that the questions are high profile because politicians make them so, but they are

also easier to measure than our work in the communities.

We keep coming back to disinvestment. If we are going to try to put more into primary or community care, where will the money come from? One of the witnesses asked whether we could use our tax or borrowing powers for a one-off investment. One of my suggestions was to take 1 per cent off the hospitals to put into community care. However, I suspect that that would not help A and E waiting times. Many years ago, a state in America decided not to build a prison, but instead to put the money into supporting youth and so on, which meant that there was a problem with overcrowded prisons in the short term.

John Swinney: Such dilemmas are at the heart of every budget process that the Government and, if I may say so, the Parliament have to go through. A range of options are available to ministers. What the Government is able to do in terms of borrowing is fairly limited, but other financial options are available. However, Parliament has to endorse the budget. When the Cabinet Secretary for Finance and the Economy makes her announcement on 9 December, members of Parliament will have to reflect on it; if they believe that we need to disinvest in one area of policy in order to invest in another, the opportunity will be available to them to come forward with amendments to the budget. The Government makes its judgment based on what we believe is a reasonable balance across all factors, but it is open to any member of Parliament to make alternative propositions.

John Mason: Has any member, party or committee ever asked you to take money out of acute services and put it into preventative services?

John Swinney: No.

John Mason: Thank you.

Ross Greer (West Scotland) (Green): I want to return to accountability. I am interested specifically in the Government's position on the role of boards of public bodies and of non-departmental public bodies. It seems to me that the board of a public body could play a variety of roles. There is a bog-standard corporate governance role—whereby the board focuses on issues such as human resources practices—or it can look more at the operational policy decisions of the body for which it is responsible.

I will give an example that I used in a previous evidence session. The board of Creative Scotland is largely made up of professionals from the creative industries who understand that area of public policy. By contrast, the board of the Scottish Qualifications Authority, with which the cabinet secretary will be familiar, has a teacher on it, but it also has three management consultants. That

would be entirely legitimate if the purpose of the board of a public body was to focus on corporate governance issues such as HR, but it seems to me that there is inconsistency in how the boards of public bodies in Scotland understand their functions and purpose. What is the Government's position on the purpose of those boards?

John Swinney: I would be deeply concerned if a public body struggled to understand its function and purpose, because they are fundamental to how any public body operates. That should all be well set out to the board either through statute or through a letter of direction. In fact, it is not “letter of direction”—that is the wrong term. I am not going to recall the right term, but I will cite an example.

Every year, I would send Scottish Enterprise a management letter. We will tell the committee what it is properly called—I just cannot remember the term. I am being offered “letter of guidance” by David Milne. I am not altogether sure that that is the right term; we will give the committee the right terminology. Essentially, the letter said, “This is what I want you to focus on in your policy priorities.” I would send such letters to Scottish Enterprise and Highlands and Islands Enterprise annually when I was the finance secretary. The letters are about the general parameters of operation.

The example of Creative Scotland, which Mr Greer gave, is slightly different, because that body takes some very active funding decisions that are designed by statute to be taken at arm's length from the Government. They are taken without any operational influence by the Government in order to respect artistic freedom in decision making. There is a specific type of arm's-length relationship with Creative Scotland.

The function and purpose of a board should be absolutely clear. If it is required by statute, the board should operate within that statute. If it requires a letter of guidance from ministers, it should operate within that.

Mr Greer also put to me a point about the composition of boards, which is about the selection criteria for boards. To make sure that board appointments are made on the basis of capacity and capability, many do not have specific criteria about having X teachers and Y lecturers, or whatever. The criteria will be about attributes; there might be requirements for financial competence or legal competence. For example, boards must have a chair of their audit committee, so somebody on the board must have audit competence.

Parliament might want to have a wider debate about the attributes of boards, which I think would more directly address Mr Greer's point.

Ross Greer: That would certainly be the case. It is my view that Parliament has not been as effective as we could have been in scrutiny of the boards of public bodies. That said, Parliament could always do more than it will ever have capacity for.

I will take the example that you gave of Scottish Enterprise and the letter of guidance. Is it core to the board's purpose—separate from the senior management team and the people who deliver for and operate the organisation—to scrutinise how effectively the organisation, through its senior management team, have delivered what is in your letter of guidance in terms of strategic priorities? Perhaps it is the board's purpose to scrutinise the internal governance of the organisation—it is almost divorced from the purpose of the organisation—as would be the case for any other public body.

John Swinney: No. I will continue with my Scottish Enterprise example. If I sent a letter of guidance to the chair of Scottish Enterprise and then saw that the organisation was not going in the direction that I wanted, the first conversation would be between the chair and I, in which I would ask what was going on.

The board is accountable for the direction of the organisation and delivery of its purpose. The SMT has to turn that into operational reality. The board is just as responsible for and accountable to direction from ministers as it is for addressing issues that are entirely the statutory right of ministers to set out.

Ross Greer: From your experience of Government, do you think that all boards are held equally accountable by ministers? There are a substantial number of public bodies and some ministers are responsible for a substantial proportion of them. Boards such as Scottish Enterprise, SQA and Creative Scotland are the high-profile public bodies—a large section of the population will have some interaction with them—but a number of other bodies fall a little bit into the background. At ministerial level, is there sufficiently consistent scrutiny of the performance of boards?

John Swinney: Yes, but that will vary in intensity, given the significance of the issues that are at stake. Inevitably, that will depend on where the policy focus is and what the issues are that arise from the events that are taking place.

If statute requires ministers to interact with a public body in a particular way, ministers should operate in that fashion, but if statute says to ministers, "You've got to keep a distance from these boards," ministers should do that. The situation will vary, depending on what statute requires.

Ross Greer: I have a final question. Is there sufficient turnover on the boards of public bodies? I refer to people who have active experience on boards. I am aware that a number of individuals move from the board of one public body to the board of another and will be involved in corporate governance of public sector bodies over a continuous period. Is there high enough turnover in Scotland as a whole for us to bring in people who have direct experience of the sector in which the board works, or who have other relevant experience? Could we do with a little bit more scrutiny of an individual's length of service across public sector governance, rather than just the individual board on which they might be serving at any given time?

John Swinney: I think that we could do with a broad range of people who have different expertise and capabilities coming forward for our public bodies.

11:15

Douglas Lumsden (North East Scotland)

(Con): To my mind, the local governance review provides an opportunity to break down some of the silos that you mentioned earlier. Is that your view? When will the results of the local governance review come through? Will the lessons that have been learned from the pandemic feed into the review?

John Swinney: There are definitely lessons to be learned from the pandemic. The hard reality that we must accept is that, during the pandemic, the degree of change in the delivery of services and approaches by a range of public bodies took place at a pace that I have never seen before in my life. The change was welcome—I wish that I had seen a bit more of it in my time—and it demonstrates that such things can be done. That is the crucial point.

Why did the changes have to be made? We had a public health emergency that resulted in countless organisations disrespecting boundaries, working at pace, finding solutions and doing all that they could to support citizens. They wrapped services around people. The question that arises from that is, if we could do that because of the Covid emergency, what is stopping us from doing something similar on child poverty or the climate emergency, for example?

We have showed that such changes can be made, but we must be open eyed about the fact that we must ensure that the conditions are right to make such changes in other circumstances. The changes happened in March 2020 because we faced a public health crisis. We need to ensure that the same thought conditions and processes

enable us to address other issues. Good lessons must be learned in that regard.

A number of ideas have emerged from the local governance review about how we might respond to the issues that have been raised by local authorities and local communities. The Government is reflecting on those ideas, and we need to take forward dialogue with partners on how best we can turn many of the propositions into practical reality.

Douglas Lumsden: At the end of the day, it is money that often creates barriers and silos, so we are back to the point about the shift in resources. During the pandemic, there was a lot more flexibility. People said, “We’ll worry about the cash later—let’s just look after our communities.”

I hate to even think about this, but I wonder whether there could be a service level agreement in place between the NHS and local authorities, for example. When you were talking about youth justice, I was trying to think of some examples. If local authorities could spend more on youth justice, there would probably be savings for the police and in other justice areas in the future. If local authorities could spend more on sports facilities, there could be a reduction in obesity, and savings for the NHS. Is there a way of linking outcomes to the organisations that spend money on early interventions, so that there is a balance?

John Swinney: I agree with Douglas Lumsden’s fundamental point. In addressing some of those questions, a variety of public sector organisations have to focus more on the collective interest than on their silo interest.

Let me provide an example. I visited a new build primary school in Midlothian. The local authority, in partnership with the health board, decided to keep an existing sports centre, but, through a combined procurement—heaven forbid—it built a general practice on one end of the sports centre, a primary school on the other end, and a library and concourse in the middle. There was a separate door for the primary school, for security reasons, but people could go through a general door that led into the concourse area in which there was a general practice on one side, a sports facility on the other and a library in the middle—and a wee bit of a cafe had emerged in the foyer.

General practitioners said to some patients, “You need to go next door to the leisure centre, where there’s an exercise class going on.” Once folk had done that, they could go to the library and maybe have a cuppie before going home. There were the multiple benefits of access to GP services in the locality, access to non-pharmaceutical interventions such as exercise, access to library services and socialisation. I cannot sit here and say, “The NHS saved as

follows, because there were fewer prescriptions,” but we can all look at that and say that it feels like a good outcome. When I was there, members of the public told me about the joy they got from seeing all the kids going to the library and from the hubbub and noise.

The Christie commission’s ethos that we must find common platforms for collaboration resulted in that venture in Midlothian. We need more of that systemic thinking. There are other examples of doing that—Mr Lumsden will have examples of exactly the same thing from Aberdeen—to enhance the pattern of delivery.

Douglas Lumsden: You are right. Tillydrone hub in Aberdeen involved a great collaboration. What is holding us back from having more of that? Is it to do with finance or is it more about banging heads together?

John Swinney: Compartmentalised budgeting is undoubtedly a challenge. Another challenge is lining up procurement processes so that all organisations arrive on the same day, because different organisations might have different levels of financial security.

One question is whether there is the necessary perspective and vision to imagine such concepts. I dare say that, when the Midlothian and Tillydrone facilities were being conceived of, there might have been a wee bit of people thinking, “Oh really? Are we sure that we can pull this off?” Vision and commitment are needed to make such examples happen.

Michelle Thomson (Falkirk East) (SNP): There has perhaps been a process of osmosis, because I was going to ask about similar areas to those that have been raised. We have explored how, in the 10 years since the Christie commission, we have tended to see evolution rather than revolution. The comment has been made that Christie gave the opportunity, in the setting up of social care elements, to develop a new vision that was removed from the existing culture and existing processes, which has been regarded as a success.

That leads us to where we are now, post the pandemic. You have highlighted how public sector bodies came together and rules were broken or pushed to get the right outcomes. I did not mean that rules were broken but that there was a focus on getting bold outcomes.

I will explore further how that approach can continue culturally, with a link back to the Christie principles and particularly to empowerment. How can the Government enable that? You touched on the blockers around budgeting, which I would like you to flesh out. How can we continue the approach?

John Swinney: To be frank, that is the \$64 million question. My response is largely about the thinking that is in the Covid recovery strategy. We have been explicit in that strategy that the atmosphere, ethos and thinking that brought public servants together in spring 2020 to deliver solutions are now required to meet the wider fundamental challenges in the Government's programme of addressing child poverty and the climate emergency.

Those two substantive themes will not be resolved in neat little compartments. That will require collaboration and co-operation, the sharing of an ethos and the transcending of boundaries. At the heart of the Covid recovery strategy, we make the point that that is what we need to encourage.

What I am trying to do in the Covid recovery strategy is empower people and give them encouragement, authorisation and permission to take that approach. I do not think that we can underestimate the degree to which people might feel the need to be given permission. I should maybe have included that point in my answer to Mr Lumsden's questions. The sense of needing to be given permission might be an impediment to people making progress in the way that we are discussing.

Highland Council decided that, with regard to the integration of health and social care, the health board would take responsibility for either adult care or children's care and the local authority would take responsibility for the other one—I cannot remember which way round it is. When I was speaking to a care worker in the Highlands, I asked what the biggest impact of that had been for her. She said, "It means that I can do what I need to do for the member of the public I am supporting without fear of being bollocked for spending health board money on a local authority priority." That is about permission. For that woman, all this grandiose architecture meant that she could focus on the member of the public she was supporting and do the right thing as opposed to thinking, "Well, doing this will involve spending money that is not really in my bailiwick, because the local authority or whoever should pay for that." We have to get beyond that kind of thinking.

Michelle Thomson: That idea of a licence to operate leads me to the next area that I want to address. One of the three themes that you said that you are focusing on is good, green jobs. I want to explore how you see permission and an emboldened licence to operate interfacing with private sector business, which, traditionally, might have different behaviours. Have you considered that in relation to, for example, revisiting the national planning framework 4? I think that that is worthy of consideration.

John Swinney: Public sector organisations must think carefully about how they relate to and deal with private sector organisations. The Covid recovery strategy aims to do various things in relation to those themes. For example, on the first theme, which is tackling the financial insecurity of low-income households, one of the ways to do that is to do what the Government has said that it is going to do and double the child payment, but another way is to provide early learning and childcare so that parents can gain access to some of the good, green jobs that are around, which will obviously help to address the financial insecurity of low-income households.

I certainly hope that a private sector organisation will look at the Covid recovery strategy and say, "Well, there is a role for us to perform here, and we can make a contribution by taking forward our investment plans, collaborating with public organisations on staff training and creating employment," and that the virtuous circle will carry on.

Michelle Thomson: In your opening statement, you used the term "ethical" in relation to the Christie report—that was the first time that I have heard the term in that context. There is often a dichotomy with regard to ethics, where, rather than focusing on consequentialist outcomes, which involve the end result, organisations will focus on deontological—that is, process-driven—outcomes. I was intrigued by the use of the word "ethical". Is that something that you have started to reflect further on, or has it always been there and I have missed it? It is just that I have not heard that term being used in relation to the Christie report before.

11:30

John Swinney: It is not a word that I often use about this matter, but I felt it appropriate to use it now. I think that the Christie commission report is highly ethically based—it certainly had a profound impact on me. At the time we commissioned it, a great debate was going on about the proper role of public services. The Christie commission might not have used the word "ethical", but it provided us with an ethical justification for the maintenance of public services. As I have said, there was a great debate at the time over whether everything should just be privatised, the degree of private involvement and so on.

I thought it appropriate to use the word "ethical" now, because when I look at some of the issues that we have been wrestling with for some time now—for example, fair work, the transition to a green economy and the more sustainable use of resources—I think that they reinforce the ethical purpose of the Christie commission.

The Convener: The only way is ethics. I call Daniel Johnson.

Daniel Johnson (Edinburgh Southern) (Lab): Deputy First Minister, you have always struck me as someone who is frustrated with the pace of change. In your opening remarks, I think that you were hinting at something when you said that we should reflect on the fact that many of the things in Christie had not become as embedded, either institutionally or in policy terms, as we would have liked. Let me be expansive and ask you this question: if the 2007 John Swinney were able to travel here from the past, would he be pleased with what has happened or would he be frustrated with the lack of institutional change? Equally, if the 2021 John Swinney could provide that John Swinney with advice, what would it be?

John Swinney: Well. Going back to Liz Smith's question about the apparent lack of accountability in the system, I feel as if I am being invited to reflect on my term in office as a minister.

I freely concede that there are a lot of institutional barriers to making progress, and we should not underestimate the challenges facing any Government with regard to compartmentalisation. Of course, it is not just Governments. Before I entered Parliament in the 1990s, I worked for a large private sector insurance company. It, too, had its own compartments, and its leadership wrestled with the necessity of focusing on—in its case—customers and avoiding a focus on process and structures. The challenge is therefore not unique to public sector organisations or governance.

However, what is needed is a universal or agreed approach to enable us to overcome some of the barriers that I have mentioned, and the Christie commission helps us by giving an approach, methodology and set of principles that can be followed in any public sector organisation. In that respect, Christie has really stood the test of time. As I said in my opening remarks, its approach remains fundamental to what we and public sector organisations are doing today. The thinking behind the Promise, for example, essentially develops the thinking in the Christie commission report.

I suppose that what the 2021 John Swinney would say to the 2007 John Swinney is that he should not underestimate the scale of the obstacles to be overcome. That would probably be the best advice that I could offer.

Daniel Johnson: I am tempted to ask you the same question in private and see what response I get.

I recognise your point that compartmentalisation is an issue, and part of it is about putting the right levers in the right places and ensuring that things

are not split up. With that in mind, do we need a more fundamental reappraisal of what is under the control of local government? Douglas Lumsden alluded to the local governance review, which is about how local government engages with people and makes decisions, rather than what it actually does. You gave the example of the library, the sports centre, the primary school and the health centre all being in one place, and one of the best ways to make such things happen more often is to make sure that the decisions are all made in one place, rather than being split apart.

In line with my previous question, I will ask my next question in a slightly more impudent way. Why do we treat Douglas Lumsden's and Liz Smith's colleagues from 1994 with such respect and assume that Mr Lang's local government reforms were perfectly formed and should remain unaltered by your Government—or, frankly, by the Labour Government? Should we not be asking much more fundamental questions? Is the solution not to push as much decision making as possible down to the local level and to give local government the powers that it needs to make those decisions properly?

John Swinney: There was a lot in that question. To follow up my previous answer, my first point is that the challenge of compartmentalisation is less acute in the Scottish Government than it is in Whitehall. I say that not to be critical, but to acknowledge that we have benefits of size and proximity.

I go back to some of the Covid issues that we have discussed. When I wanted to sort out any compartmentalisation that affected a Covid issue, the necessary people were on a phone call within five minutes and the issue was aired, sorted and addressed. My colleagues and counterparts in the UK Government often tell me—and there is a fair amount of truth in this—“It is much easier for you. You can just bang heads together. It is much more complex for us.” There are opportunities for us in that respect, and I am discussing with our incoming permanent secretary how we can overcome some of the boundaries and barriers.

Secondly, Mr Johnson spoke about the need for us to be focused on wider purposes. We have tried to do that with the establishment of the national performance framework, which is designed to provide us with a sense of direction over a longer period of time, and therefore to give public organisations a sense of where we are heading and what we might be achieving. There is, however, a natural conflict between some of the aspirations in the national performance framework and some of the accountability mechanisms that are applied operationally and which Parliament might spend quite a bit of time scrutinising.

Thirdly, I come to the colossal question of the role of local government, whether the 1994 reforms were absolutely perfect and what is the best way through this. There are a number of elements to that. One relates to the optimum level at which services should be delivered to individuals. That is never a perfect question at the local level. Through the health and social care reforms that we have discussed, we have tried to recognise that, although local government has responsibility for social work, the health service has responsibility for health, and there is a thing called social care that does not fall neatly into local government or health. Every individual case is at a different stage on the spectrum. The health and social care reforms were designed to address the need for collaboration between the health service and local government.

We then get into other questions about the natural desire of communities to have more control over what happens in their locality, and I am not sure that that is determined by how close they feel to their local authority. For example, irrespective of whether the council is located in Perth or Dundee, both those places feel quite distant to the citizens I represent in the town of Blairgowrie, in terms of what really matters to them and their absolute locality.

Finally, there is the role of Parliament. I go back to my example of education. I understand why this is the case and I am not complaining about it, but, fundamentally, the levers that affect the performance of the education system lie with local authorities. As Mr Johnson might have observed over the past five years, I and my successor are held quite closely accountable for the performance of education, but a large proportion of that is not within ministers' operational responsibility. In the health service, it is different: there is ultimate ministerial control and ministerial appointments.

Parliament would have to be involved in a discussion about where the right amount of accountability lies in relation to some of these questions.

Daniel Johnson: I should have asked a bridging question, because there is an interesting point about the natural level in areas such as education and health, and whether it is the same.

John Swinney: I think that that is a legitimate question, although the issue is not just about that. If one is going down the route of exploring these questions, there is an almost philosophical debate that needs to be had about determining the right level for a particular subject. With some of the issues that I still wrestle with around child protection, for example, some very sophisticated knowledge is required. We have to be certain about the approaches to child protection in all localities in the country. Clearly, we do not have a

national system of child protection, but we have to be satisfied that the right level of child protection exists in every locality. Local authorities have populations that range from 25,000 to 1 million, and they support different levels of expertise to enable us to be assured that the right level of protection is available in all circumstances.

Daniel Johnson: I know that the convener wants to come in, but I have one more question.

The Convener: On you go.

Daniel Johnson: Okay. I will challenge you on one point, Deputy First Minister. In response to Liz Smith—and you alluded to a similar point in your response to Ross Greer—you spoke about whether being accountable to ministers was a sufficient level of accountability for organisations, whether they are health boards or NDPBs. I would challenge you on whether accountability to ministers is the same as public accountability. With public accountability, there is an intermediary. We can hold ministers to account in Parliament, but we cannot hold health boards directly accountable. There is a difference there, and in some ways that is a frustration in our democracy.

John Swinney: I hope that, in my answers, I did not create the characterisation that Mr Johnson has put to me. In terms of formal statutory accountability, that may well be the relationship, but, for a range of organisations, there are many other channels of accountability. For example, health ministers undertake annual public scrutiny of individual health boards, which members of the public can watch and engage with. A variety of accountability mechanisms can be put in place in that respect.

The Convener: If the John Swinney of 2021 went back to 2007, he would tell his predecessor that he was yet to reach his prime—he says sookily.

11:45

John Swinney: He would probably say that he should give shorter answers.

The Convener: That would only lead to more questions.

I have one final question. In Scotland, we have 128 non-departmental public bodies and 32 local authorities, and we have health boards, health and social care partnerships, community planning partnerships, and city and regional deals. When it comes to public understanding, probably south of 1 per cent of the population understand how those things work together. You talked about optimum service delivery in one of your responses to Daniel Johnson. I realise that there are vested interests

and that things are difficult to move, structurally, but is there a case for decluttering the landscape?

John Swinney: Going back to 2007, I recall that we took steps to declutter. We removed a range of public bodies and we passed the Public Services Reform (Scotland) Act 2010, a consequence of which was that further rationalisation work was undertaken. However, over time, different reforms took place that moved in the opposite direction. There is an argument for keeping such questions under review and considering whether further actions are required.

When we undertake structural reform, we must always be aware of the likelihood of disruption to service delivery. I was not a member of Parliament at the time of the local government reorganisation in 1995-96, but I remember that, during that period, it felt as though there was more focus on the reform than on aspects of service delivery. We must be mindful of those questions when undertaking structural reform.

The Convener: I appreciate that. I was a councillor at that time, when one local authority, Strathclyde, became 12 local authorities, which meant that we had 12 new social work directors, 12 deputy social work directors and so on, and lots of structures had to be put in place.

It is an area that we must keep under review, because there can be a disconnect between the people of Scotland and all the different structures if those structures become impossible to understand. It can be hazy even for elected representatives if there are too many overlapping structures.

I thank the Deputy First Minister and his officials for their evidence. The next item on our agenda, which will be discussed in private, is consideration of our work programme. I would also like to update members on some areas of interest and importance.

11:48

Meeting continued in private until 11:58.

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